

DRAFT 2015/2016 UMNGENI MUNICIPALITY INTEGRATED DEVELOPMENT PLAN REVIEW

PEOPLE CENTRED DEVELOPMENT – INTUTHUKO KUBANTU



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ACRONYMS

AIDS – Acquired Immune Deficiency Syndrome
ABET – Adult Based Education Training
AG – Auditor General

BBBEE – Broad Based Black Economic Empowerment

CFO – Chief Financial Officer
COGTA - Co-operative Governance and Traditional Affairs
CPF – Community Policing Forum
CRDP – Comprehensive Rural Development Programme
CLLR – Councilor

DAEARD – Department of Agriculture, Environmental Affairs and Rural Development
DEDT – Department of Economic Development and Tourism
DWA – Department of Water Affairs
DFA – Development Facilitation Act
DPPSS – Development Planning Shared Services

EIA – Environmental Impact Assessment
EXCO – Executive Committee
EKZNW- Ezemvelo KZN Wildlife
EPWP – Expanded Public Works Programme

GM – General Manager
GIS – Geographic Information System
GVA – Gross Value Added

HIV – Human Immunodeficiency Virus

ICT – Information Communication Technology
IDP – Integrated Development Plan
IGR – Inter Governmental Relations

KPA – Key Performance Area
KPI – Key Performance Indicators

LED – Local Economic Development
LM – Local Municipality
LUMS – Land Use Management Scheme

MANCO – Management Committee
MFMA – Municipal Finance Management Act
MPAC - Municipal Public Accounts Committee
MM – Municipal Manager
MSA – Municipal Systems Act

NDP – National Development Plan
NSDP – National Spatial Development Perspective
NEMA – National Environmental Management Act
NGO – Non Governmental Organisation

OSS – Operation Sukuma Sakhe

PDA – Planning and Development Act
PMS – Performance Management System
PDA – Planning and Development Act
PGDS – Provincial Growth and Development Strategy

SDBIP – Service Delivery and Budget Implementation Plan
SDF – Spatial Development Framework
SAPS – South African Police Service
SEA - Strategic Environmental Assessment
SMME – Small Micro Medium Enterprise
SPLUMA – Spatial Planning and Land Use Management Act

TBD – To be determined

UMDM –uMgungundlovu District Municipality

VIP – Ventilated Pit Latrine

CHAPTER A – EXECUTIVE SUMMARY

The uMngeni Municipality comprises the former Transitional Local Council areas of Howick and Hilton; the Worlds View area; and a substantial amount of farm land. The municipal area covers 1 564 square kilometres, and has its offices in Howick. A series of spectacular waterfalls surround the area, which is about 29 km north-west of Pietermaritzburg. At the centre of this system, nestling on the banks of the uMgeni River in the heart of the Natal Midlands, is the beautiful town of Howick, and its pride, the 94 m high Howick Falls.

According to the latest 2011 Census data, the municipality has a population of 92710 people with an annual growth rate of 2.3% since 2001. In terms of population composition by age group, the highest percentage of the population distribution is between the ages 15-34 accounting for 38% of the population. Even though measured at a provincial and district level, the total fertility rate has decrease from 2.84 in 2001 to 2.2 in 2007 with the adolescent fertility rate also dropping from 72.69 in 2001 to 52.52 in 2011. As is the case with the rest of South Africa, inequality remains high at 0.67. The number of households have increased to 30490 in 2011 compared to 20488 in 2001. The average household size is now 2.8 with the female headed households at 42.7% of the population. Child headed households remain a concern with an increase of 0.4 in 2011 compared to 0.3 in 2001 which could on the main be attributed to the HIV/AIDS disease. The municipality has made improvements in terms of basic services with 95% of households having piped water, 85% with electricity and 81% with proper sanitation. The official unemployment rate is 23.9% which is significantly lower than that of the uMgungundlovu District which is 30.4%.

The municipality is covered by 12 wards of which 1, 2, 7, 8, 10, 11 and 12 cover the majority of Howick, Merrivale, Mpophomeni, Hilton and Worlds View and are substantially urban in nature. The remaining wards include some urban components but are mainly rural in nature.

According to the available data, the Primary Sector within the municipality is the second highest contributor to the regional GDP of uMgungundlovu with 14.1% of the gross domestic products lower by 3.5% compared to 2001. Agriculture is the main economic sector within the Primary Sector in the municipality has seen a decline in terms of contribution to the GDP. The decline in the Agricultural sector is higher than that of the province and the district. The secondary sector was the highest contributor to the regional GDP lower from 33.4% in 2001 to 20.6% in 2012. Trade is the largest contributor in the secondary sector followed by manufacturing. The tertiary sector contribute 11% to the regional GDP with Community Services and Finance being the major contributors in the sector.

This plan has been developed taking into consideration the legislative mandate by municipalities as prescribed in Chapter 5 of the Municipal Systems Act whilst also utilising the COGTA IDP Framework Guide to inform the structure of the document. The IDP Process Plan was the first phase adopted by council on 31 August 2014 to inform the process that would be followed in the development of this IDP Review. All the key milestones as reflected on the IDP Process Plan have thus far been achieved.

A SWOT analysis method has been utilised in order to have an understanding of internal and external factors which have an impact on the municipality. Through a comprehensive SWOT analysis of the 5 Key Performance Areas (KPA's) and the 6th KPA applicable to KZN local governments, the municipality was able to identify key challenges impacting upon these. With regards to Cross Cutting Interventions, the sustainability of the agricultural sector and

land use management of rural areas is seen as key challenges. In terms of Municipal Transformation and Institutional Development, the implementation of an ICT Master Systems Plan and the filling of critical and crucial posts has been identified as some of the key challenges. Addressing the service and infrastructure backlogs is the key challenge identified in Basic Service Delivery. Providing the necessary skills capacity required by the economy and also promoting the SMME's is something that has been identified as challenges in Local Economic Development. In order for the municipality to achieve being financially viable and sustainable, challenges of electricity theft and lack of achieving a clean audit will require much attention. The key challenge identified under Good Governance has been the lack of an effective organisational and individual performance management system.

The municipality in order to align with the national and provincial plans has adopted a vision geared towards 2030 which is people focused, striving towards an efficient and cost effective municipality that will be able to provide quality services and sustainable socio-economic development. The vision will assist in guiding the municipality in the actions or choices that will be made.

During a three day strategic planning session held in November 2014, the municipality reviewed its strategic objectives. This resulted in the municipality developing six IDP Goals with their associated strategic objectives which will help to be able to unlock and address key challenges.

- Human resource development and management
- Sustainable socio-economic development
- Promote human settlements and infrastructure development
- Financially sound and sustainable municipality
- Good corporate governance
- Spatial planning and environmental sustainability

The municipality has developed a three year Implementation Plan which is linked to key challenges and strategic objectives. This plan entails projects and programmes that the municipality intends implementing over the period.

In order to measure progress, the municipality will further review its performance management system to be aligned to the developed IDP goals and strategic objectives. This will also assist in the completion of the SDBIP that will be included as part of the Final IDP Review.

CHAPTER B – DEVELOPMENT PRINCIPLES AND GOVERNMENT POLICIES AND PRIORITIES

1. Development Principles

The set of development principles in this section is derived from the recently enacted Spatial Planning and Land Use Management Act No. 16 of 2013 commonly known as SPLUMA in the planning fraternity. Efforts have and will be made to ensure that these principles are used as a guide in the preparation of the different facets entailed in the municipal IDP. Table 1 below demonstrates how the uMngeni Municipality is applying or intending to apply these principles in its area of jurisdiction.

NO.	PRINCIPLE	MUNICIPAL RESPONSE
1	Spatial Justice	<ul style="list-style-type: none"> Since the start of local government in 2000 the Municipality has planned and implemented projects that address issues of improved access to and use of land in previously disadvantage areas but also improving on the already developed areas. At the start of every elected council, the Municipality develops an SDF which forms part of the IDP and gets reviewed annually. The development of the SDF covers the entire jurisdiction of the uMngeni Municipality with an inclusion of persons and areas that were previously unplanned for. The municipality is currently in advanced stages of developing a municipal wide land use scheme which also incorporate rural areas. The current LUMS of the municipality permit for different types of land use and zones which allows for flexible and appropriate management of previously disadvantage areas. The municipality coordinate the development of housing projects for both private and public sectors that allow for security of tenure rights. Once set up the Municipal Planning Tribunal will abide by the development principles and norms and standards.
2	Spatial Sustainability	<ul style="list-style-type: none"> The development of municipal strategies and plans are developed within the economic means and capabilities of the municipality. The municipality has a high demand of statutory applications more especially for subdivision which has an impact on the sustainability of agricultural land. For this reason, the Department of Agriculture is

		<p>continuously engaged in such matters to ensure protection of prime and unique agricultural land.</p> <ul style="list-style-type: none"> ▪ The municipality has developed a Strategic Environmental Assessment (SEA) <i>albeit</i> requiring a review. The municipality has worked closely with the District in the development of environmental plans but has also formed close ties with the Department of Environmental Affairs and KZN Ezemvelo Wildlife to ensure protection of prime agricultural land. ▪ Through the review of the SDF, the municipality will develop individual restructuring plans for all nodal areas that will promote and stimulate the effective and equitable functioning of land markets. ▪ The process of the IDP allows the municipality the opportunity to plan for all infrastructure and social services related land development through partnerships with other spheres of government and other agencies. The development of the municipal long term Implementation Plan has considered all current and future costs to all parties. ▪ The planned Khayelisha housing project will address informal settlement areas of Shiyabazali and Zuzokuhle which will enable the municipality to promote land development in locations that are sustainable and limit urban sprawl. This is further emphasized in the municipal planning policies and strategies that promote viable human settlements.
3	Efficiency	<ul style="list-style-type: none"> ▪ As much as possible land development is encouraged in areas that are already serviced however where there is lack of suitable infrastructure to support development, plans are in place as per the Implementation Plan to provide suitable infrastructure that will allow for the optimization of existing resources. ▪ The principle of efficiency will only be possible if all decisions made are sustainable in order to minimize negative financial, social, economic and environmental impacts. This is already evidence within uMngeni Municipality with the reduction of municipal departments that has reduced the financial burden on the municipality with regards to salaries.

		<ul style="list-style-type: none"> ▪ The number of planning applications (PDA) lodged with the municipality are significantly higher than most municipalities in the province and therefore becomes imperative that application procedures are streamlined and timeframes adhered to. This does require human capacity which is currently lacking but existence of the Shared Service does assist the municipality in ensuring that these issues are addressed. The municipality also has plans to fill a vacant Town Planning Technician post which will also assist in ensuring efficiency of the planning application procedures.
4	Spatial Resilience	<ul style="list-style-type: none"> ▪ The current municipal LUMS does allow for a variety of zones which allow for different land uses. In cases where there is prohibition of land uses the scheme and the applicable legislation (PDA) does allow for amendments utilizing different processes. Disaster Management Plans from the district are also flexible as they are responsive to various disaster circumstances.
5	Good Administration	<ul style="list-style-type: none"> ▪ All three spheres of government play a crucial role in ensuring integrated development planning within the municipality. This is done through the alignment of the different strategies and plans. ▪ The IDP Representative Forum, COGTA Sector alignment workshops, inclusion of sector departments in the SDF Project Steering committees allows for sector inputs into the development of the municipal SDF. ▪ The participation of the municipality in IGR structures needs to be further strengthened to ensure requirements of any law relating to land development and land use are met timeously. ▪ The municipal Vision and Mission is people focused which is also further emphasized by the IDP Goal of Enhanced Stakeholder Participation which allows for transparency in all matters affecting communities at different levels. ▪ The municipality has a number of policies which respond to our constitutional mandate and also the National Key Performance Areas.

Table 1

The following list is a table of planning and development principles derived from the KZN COGTA IDP Framework Guide and the application thereof in uMngeni Municipality.

NO.	PRINCIPLE	MUNICIPAL RESPONSE
1.	Development/investment must only happen in locations that are sustainable (NSDP)	The uMngeni Spatial Development Framework (SDF) has identified strategically located "Areas of Priority Spending" to guide both service provision and economic development
2.	Balance between urban and rural land development in support of each other (DFA Principles)	Through the promotion of Tourism in both the urban and rural areas, and in light of the service role that the urban nodes play to the rural area the support exists. A proper balance has been difficult to achieve, and rural areas lack basic services particularly electricity. The municipality will continue to support service delivery in the rural areas as with the recent rural electrification undertaken in the Karkloof area.
3.	The discouragement of urban sprawl by encouraging settlement at existing and proposed nodes and settlement corridors, whilst also promoting densification. Future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centres (DFA Principles)	The containment of urban sprawl is a key consideration in uMngeni as much of the area has good agricultural potential. Node boundaries have been set in the SDF and principles regarding the type of development permitted in future are contained in the SDF.
4.	The direction of new development to logical infill areas (DFA Principles)	Within the Nodes future use is set for infill areas in the SDF.
5.	Compact urban form is desirable (DFA Principles)	In the uMngeni context the compactness of urban form differs widely. In light of the strong tourism industry the concepts of village atmosphere, view sheds and environmental impact are important considerations.
6.	Development should be within limited resources (financial, institutional and physical). Development must optimize the use of existing resources and infrastructure in a sustainable manner.	The present municipal financial constraints have been recognized, and a Municipal Turn Around Strategy (MTAS) is in place. Capital Projects have been substantially limited to the core services of roads and electricity. Institutional constraints exist and are being addressed as far as is possible. Support at District level is valued and the District's Vision to become a Metropolitan area is acknowledged. Provincial level support is also valued. Sustainability has been promoted through an emphasis on the provision of housing developments that are designed to allow for supporting community facilities. Areas of environmental significance have been identified. The recently completed District level Environmental Reports need to be taken into account.
7.	Stimulate and reinforce cross boundary linkages	Through the Provincial and District level forums this requirement is addressed. The setting place of the Midlands Economic Development Agency is another example of where uMngeni is working with Mpofana and uMtsheni Municipalities to promote economic development of mutual benefit.

NO.	PRINCIPLE	MUNICIPAL RESPONSE
8.	Basic services (water, sanitation, access and energy) must be provided to all households.	The provision of basic services to all has not as yet been achieved in uMngeni, but significant progress has been made over the last 10 years and the municipality is committed to addressing the eradication of existing backlogs.
9.	Development/investment should be focused on localities of economic growth and/or economic potential	Areas of priority spending as indicated in the SDF include N3 Corridor Nodes where economic development is promoted. Also identified are development corridors such as that between Merrivale and Mpophomeni.
10.	In localities with low demonstrated economic potential development/ investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programs (NSDP)	The need to support strategic educational and social facility provision is recognized by the uMngeni Municipality. Service provision to such facilities needs attention, and is addressed as far as funding permits.
11.	Land development procedures must include provisions that accommodate access to secure tenure (CRDP)	The Planning and Development Act (PDA) operates successfully in the uMngeni Municipality with support from the District Shared Services Unit. Transfer of houses in the housing projects is carefully monitored.
12.	Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely used	Agricultural potential and environmental sensitivity are concepts that are included in the municipality's SDF and carefully screened in regard to proposed development through NEMA and PDA procedures.
13.	Engagement with stakeholders representatives on policy, planning and implementation at national, sectoral, and local levels is central to achieving coherent and effective planning and development.	The IDP and its processes are recognized as effective means of engagement with stakeholders. This is linked to the municipal budget processes, and consultation needs to run in parallel. <i>As was done last year, the IDP public meetings will be coordinated with those of the District.</i>
14.	If there is a need for low-income housing, it must be provided in close proximity to areas of opportunity (<i>"Breaking New Ground" from Housing to Sustainable Human Settlements</i>)	The provision of low-income housing is mainly within the urban nodes which are areas of opportunity, but in rural areas the concept of proximity to areas of opportunity will need to be applied in all cases.
15.	During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted (<i>National Strategy on Sustainable Development</i>)	The municipality recognizes that the concepts of reduction of resource use and carbon intensity in the economy will need to be addressed as part of environmental and development applications.
16.	Environmentally responsible behavior must be promoted through incentives and disincentives (<i>National Strategy on Sustainable Development, KZN PGDS</i>)	The need to address environmental incentives and disincentives has been duly noted.
17.	The principle of self-sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their needs locally. Furthermore, the principle is underpinned by an assessment of each areas unique competencies towards its own self-reliance and need to consider	The need to consider the principle of self-sufficiency has been duly noted.

NO.	PRINCIPLE	MUNICIPAL RESPONSE
	the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency (<i>KZN PGDS</i>)	
18.	Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities (<i>KZN PGDS</i>)	The need to consider accessibility to resources, services and opportunities has been duly noted, and has been promoted in the uMngeni SDF through the concepts of Nodes and Corridors.

Table 2

2. Government Policies and Priorities

This section of the chapter provides an outline of the government policies and priorities that the municipality must be aware of and respond to accordingly. The municipality has made strides in responding to these at different policy and strategic levels. In cases where there has been lack of implementation, the municipality is in the process of responding to these imperatives accordingly.

Millennium Development Goals

The Millennium Development Goals (MDGs) are eight international development goals that all 192 United Nations member states have agreed to achieve by the year 2015. The aim of the MDGs is to encourage development by improving social and economic conditions. It provides a framework for the entire international community to work together towards a common end i.e. making sure that human development reaches everyone, everywhere. The MDGs focus on three main areas of human development viz. bolstering human capital, improving infrastructure and increasing social, economic and political rights. If these goals are achieved, world poverty will be reduced, lives will be saved, and people will have the opportunity to benefit from the global economy. Below is a list of the relevant MDGs and the response thereof uMngeni Municipality to these critical global issues.

Goal 1 (Eradicate extreme poverty and hunger) - The South African government overarching policy in addressing MDG 1 is through the provision of a social wage package intended to reduce the cost of living of the poor. Social wages in South Africa are packaged in different targeted forms. In the list of these are the following: free primary health care; no-fee paying schools; social grants, housing, provision of free basic services. The municipality has made significant strides in addressing MDG 1 when the above mentioned issues are put into consideration. Most people in the different wards have access to primary health care however this still needs to be improved upon especially in the rural parts of the municipality. The municipality has since 2001 made progress in coordinating the provision of housing and provision of free basic services to its communities. More people have access to housing and the backlogs to basic services have significantly decreased. There are also plans in place to continuously ensure provision of housing and basic services well beyond the MDG 1 targets which in most part has been achieved by the municipality.

Goal 2 (Achieve universal primary education) - In order to achieve universal primary education within the municipality, the Department of Education has allocated a number of primary and secondary schools which also allows for the implementation of compulsory schooling.

Goal 3 (Promote gender equality and empower women) - The municipality is seeking to facilitate gender equity while dealing with gender related issues. This will be done by developing a plan for local programmes. Implementation of such plan will require engagements with the different stakeholders from all sectors within the municipality.

Goal 4 (Reduce child mortality) - There is no available data at a municipal level that indicate the reduction in child mortality however the data at a district level indicate a reduction in this MDG 4. It is difficult to make assumptions for this municipality but considering the availability of a quality and efficient health system in place, one can make an assumption that there has been a reduction in child mortality.

Goal 5 (Improve maternal health) - Achieving this goal within the municipality is underpinned by the Department of Health extensive policy initiatives aimed at reducing maternal mortality and improving the quality of health care throughout the health care systems. The department is visible within the municipality to ensure that there is improvement in maternal health.

Goal 6 (Combat HIV/AIDS, malaria and other diseases) - According to the latest data from Stats SA, HIV prevalence in the uMgungundlovu District increased from 11.7% in 2002 to 15.8% in 2008. In order to address this epidemic within the municipality, an HIV and AIDS Strategy has been developed to guide all stakeholders and role players in their efforts to implement a systematic response to the issue within the uMngeni jurisdiction. A Local AIDS Council is also in place to ensure continued combating of the HIV/AIDS disease. Other disease like tuberculosis which is the leading cause of death in the district are being tackled in collaboration with the Department of Health.

Goal 7 (Ensure environmental sustainability) - Environmental sustainability is a pre-requisite for sustainable development and poverty alleviation. In South Africa respectively major improvements have been recorded through addressing poverty and inequality by dedicated service delivery programmes relating to basic service provision to the poor. The municipality has not been an exception to this. The access to basic services has been significantly improved within the municipality with 95% of households having access to water, 85% with access to electricity and 81% with access to proper sanitation. The municipality has achieved this Millennium Development Goal 7. In order to ensure continuity, the municipality has appointed an Environmental Management Officer who will further champion the cause of ensuring environmental sustainability.

2030 National Development Plan

The National Development Plan (NDP) sets the Vision of the country for the next 20 years. The NDP is a roadmap to a South Africa where all have water, electricity, sanitation, jobs, housing, public transport, adequate nutrition, education, social protection, quality health care, recreation and a clean environment. The National Development Plan (Vision 2030) has identified the following priorities which must also be prioritised by the different spheres of government:

- Economic Infrastructure
- Transitioning to a low carbon economy
- Inclusive rural economy
- Positioning South Africa in the world
- Human settlements

- Improving education, innovation and training
- Promoting health
- Social protection
- Building safer communities
- Building a capable state
- Promoting accountability and fighting corruption
- Transforming society and uniting the country

It was essential to take cognizance of the above mentioned national government priorities in reviewing this plan. The uMngeni Municipality in developing its 8 IDP Goals, objectives and strategies took great consideration of the NDP priorities more especially in economic infrastructure, inclusive rural economy, human settlements and building a capable state. Over and above this, the municipal vision has been amended to be align to the NDP 2030 vision.

KZN Provincial Growth and Development Strategy

The 7 Strategic Goals of the Provincial Growth and Development Strategy/Plan (PGDS/P) are:

- Job Creation
- Human Resource Development
- Human and Community Development
- Strategic Infrastructure
- Environmental Sustainability
- Governance and Policy
- Spatial Equity

In terms of applying these in the uMngeni Municipality it should be noted that these were taken into account in the setting out of a SWOT analysis undertaken by Council during the preparation of the first IDP of the third generation which in turn informed the preparation of a Strategic Framework. The SWOT analysis as reviewed and aligned is set out within the context of the Situational Analysis which forms Section C of this report. The uMngeni Strategic Framework has been specifically aligned with the seven Strategic Goals of the PGDS and is set out in Section D of this report.

12 Government Outcomes

The 12 Outcomes of Government adopted by Cabinet in January 2010 are as follows:

- Improve the quality of basic education
- Improve health and life expectancy
- All people in South Africa protected and feel safe
- Decent employment through inclusive economic growth
- A skilled and capable workforce to support inclusive growth
- An efficient, competitive and responsive economic infrastructure network
- Vibrant, equitable and sustainable rural communities and food security
- Sustainable human settlements and improved quality of household life
- A responsive and accountable, effective and efficient local government system
- Protection and enhancement of environmental assets and natural resources
- A better South Africa, a better and safer Africa and world

- A Development-orientated public service and inclusive citizenship.

The municipality in developing its new IDP Goals, objectives and strategies has taken great consideration of the government outcomes. The municipal implementation plan can only be achieved if all relevant sector departments play a role in their respective mandates. This plan addresses projects and programmes that respond to the 14 identified outcomes.

State of the Nation Address (2015)

As part of the 2015 State of the Nation Address, the president of the republic outlined a nine point plan towards achieving economic growth and creating jobs. These are listed

1. Resolving the energy challenge.
2. Revitalising agriculture and the agro-processing value chain.
3. Advancing beneficiation or adding value to our mineral wealth.
4. More effective implementation of a higher impact Industrial Policy Action Plan.
5. Encouraging private sector investment.
6. Moderating workplace conflict.
7. Unlocking the potential of small, medium and micro enterprises (SMMEs), cooperatives, township and rural enterprises.
8. State reform and boosting the role of state owned companies, information and communications technology (ICT) infrastructure or broadband roll-out, water, sanitation and transport infrastructure as well as
9. Operation Phakisa aimed growing the ocean economy and other sectors.

The municipality will look into these nine national priority issues and respond accordingly as part of the Final IDP Review.

National Infrastructure Plan

The South African Government adopted a National Infrastructure Plan in 2012. With the plan the aim is to transform the economic landscape while simultaneously creating significant numbers of new jobs, and strengthen the delivery of basic services.

Government will invest billions in building new and upgrading existing infrastructure. These investments will improve access to healthcare facilities, schools, water, sanitation, housing and electrification. On the other hand, investment in the construction of ports, roads, railway systems, electricity plants, hospitals, schools and dams will contribute to faster economic growth. In order to address challenges and goals, Cabinet established the Presidential Infrastructure Coordinating Committee (PICC) amongst other things

- coordinate, integrate and accelerate implementation
- develop a single common National Infrastructure Plan that will be monitored and centrally driven;
- identify who is responsible and hold them to account;
- develop a 20-year planning framework beyond one administration to avoid a stop-start pattern to the infrastructure roll-out.

Under their guidance, 18 strategic integrated projects (SIPs) have been developed. The SIPs cover social and economic infrastructure across all nine provinces. The SIPs include catalytic

projects that can fast-track development and growth. Work is being aligned with key cross-cutting areas, namely human settlement planning and skills development.

The municipality is directly affected by SIP2 which aims to strengthen the logistics and transport corridor between South Africa's main industrial hubs and to improve access to Durban's export and import facilities. It is estimated that 135 000 jobs will be created in the construction of projects in the corridor. Once the projects are completed a further 85 000 jobs are expected to be created by those businesses that use the new facilities. The municipality will later provide information on the number of jobs it expect to contribute through SIP2.

Back to Basics

At the Presidential Local Government Summit the Back to Basics Strategy was presented where DCOGTA undertook a review of South Africa's 278 municipalities.

The Back to Basics programme is designed to ensure that all municipalities perform their basic responsibilities and functions without compromise. The programme is built on 5 pillars:

- Putting people and their concerns first;
- Demonstrating good governance and administration;
- Delivering municipal services;
- Sound financial management and accounting; and
- Sound institutional and administrative capabilities.

The Back to Basics approach will institutionalise a performance management system that will recognize and reward good performance, and ensure sufficient consequences and appropriate support for under performance. The approach will integrate information on municipalities and ensure that the current challenges in the local government sphere, in the short and medium term specifically, are addressed. (*Circular No: 47/2014*)

Over and above this, municipalities will be required each month to submit information to the Minister for COGTA in order to assess performance in this regard. Provision of this information will result in intervention measures being employed by the Minister on areas where municipalities are facing challenges.

At the Presidential Local Government Summit where the Back to Basics Strategy was presented, DCOGTA undertook a review of South Africa's 278 municipalities. On the basis of the performance indicators the level of performance of municipalities were confirmed and classified according to which category they belong. Municipalities were categorised either functional, challenged or requiring intervention. The uMngeni Municipality was categorised as challenged. The process for this categorization included;

- Some form of political stability
- Most of administrative positions filled by incompetent staff
- Some critical positions not filled
- Poor expenditure of capital budgets
- Poor records keeping
- Low collection rates (less than 50%)
- Mainly qualified audit outcomes
- Significant mismatch between Plans and Budgets

On the basis of the above the municipality has made strides to improve on these critical areas. The following outlines interventions by the municipality in the above mentioned areas:

Some form of political stability – the municipality has a stable political environment which allows for participation in all municipal functions by both the ruling and opposition parties. This stability is further seen in the political structure's oversight role which it plays.

Most of administrative positions filled by incompetent staff – most of the administrative positions have qualified staff who are capable of providing effective administrative functioning of the municipality. This is particularly evident at senior and middle management level.

Some critical positions not filled – The municipality has previously had issues with the filling of critical positions especially in Finance Services, Community Services, Technical Services and the Office of the Municipal Manager. The filling of positions for Heads of Departments has been of most concern for the municipality in the departments of Finance Services, Community Services and the Office of the Municipal Manager however all heads of departments have since been appointed with the exception of the Municipal Manager. The Accounting Officer is currently on an acting capacity and the post has been advertised for recruitment purposes. Filling of vacancies in the Technical Services department has been prioritised in the next Budget mainly because the department plays a significant role in service delivery which also becomes important to respond to the Back to Basics approach.

Poor expenditure of capital budgets – The municipality has made steady progress with regards to expenditure on capital projects. The expenditure on capital projects for the current financial year on MIG allocation is 100% of funds received and just over 50% of the allocation has been spent.

Poor records keeping – As a response to poor records keeping the municipality through the development of an ICT Master Systems Plan has prioritised

Low collection rates (less than 50%) – The municipality has a collection rate of 75% and strives to increase that through the development of a Revenue Strategy which is a municipal strategic response to increased revenue collection and ensuring that all municipal revenue is accounted for.

Mainly qualified audit outcomes – The municipality has for the current term of council not received any qualified audit outcome but rather unqualified audit outcomes with matters. A clean audit outcome remains a priority for the municipality.

Significant mismatch between Plans and Budgets - In order to reach alignment between municipal plans and budget, there has been better inter departmental engagement especially with regards to the IDP and Budget. The Draft Budget has made budget provision for plans and programmes contained in this IDP Review.

Over and above with the assistance of COGTA, the municipality has develop an Action Plan as a response to Back to Basics and has made monthly and weekly submissions as per Minister's requirements. The municipality's support has been included as Annexure F of this document. The municipality is also in a process of developing an action plan aligned to the MEC's action plan envisaged for implementation in April 2015.

CHAPTER C – SITUATIONAL ANALYSIS

1. Spatial Analysis

1.1 Regional Context

The uMngeni Local Municipality is one of seven local municipalities within the uMgungundlovu District and is regarded as the heart of the KwaZulu-Natal Midlands. uMngeni is centrally situated within the uMgungundlovu District, and shares a boundary with the Impendle Local Municipality to the south west, to the north and north west is the Mpofana Local Municipality which is closely tied to the uMngeni Municipality in terms of potential tourism (Midlands Meander), and to the south east the uMsunduzi Local Municipality which is the capital of the Province and the economic hub of the District. To the east of uMngeni is the uMshwathi Local Municipality. To the west are the former District Management Areas of the Drakensberg that fall under the Transfrontier Development Initiative related to the World Heritage Site. Economically uMngeni has formed close ties with Mpofana Local Municipality and uMtshezi Municipality that lies to the north of Mpofana.

The extent of the uMngeni Municipality is 1564 km². It lies about 20 km north of Pietermaritzburg and along with Mpofana and uMtshezi Municipalities is strategically located on the N3 National Route. The N3, being of national and regional importance provides a direct linkage to the primary economic nodes of Durban and Gauteng allowing for ease of trade, industrial and transportation activity.

1.2 Administrative Entities

The municipality consist of 12 wards. Wards 1, 2, 7, 8, 10, 11 and 12 cover the majority of Howick, Merrivale, Mpophomeni, Hilton and Worlds View and are substantially urban in nature. The remaining Wards include some urban components but are mainly rural. The characteristic of each Ward is discussed in more detail under Section 1.5.

The urban areas of Howick, Merrivale, Mpophomeni, Hilton and Worlds View together with intervening areas including Cedara and Midmar Dam are considered as the Primary Urban Node of uMngeni. Secondary Urban Nodes are Lidgetton and Nottingham Road. The extent of the urban nodes is 236km² that represent 15% of the municipality. There are settlements areas run in a Traditional Authority manner directly to the south west of Mphophomeni (KwaNxamala/Inadi). These have been incorporated into the Primary Node. The remaining 85% of the municipality is rural farmland with a strong tourism industry based on the Midlands Meander. In wards 8, 9, 10 and 11 are parcels of land that fall under the Ingonyama Trust with the remainder being privately owned. Map 1 in Annexure A indicates the 12 Municipal Wards and Traditional Authority Areas within the municipality.

1.3 Structuring Elements

The following structuring elements are identified in the Municipality's SDF:

- The strategic location of the municipality on the N3, providing high level of accessibility between major urban centers and adjacent provinces.

- High potential agricultural land which is the primary resource supporting the highly developed commercial agriculture sector.
- The two existing urban Nodes (Howick / Mpophomeni and Hilton) which are concentrated in the south-eastern corner of the Municipality.
- Secondary settlements (i.e. rural settlements) which are located mainly along or in close proximity to the R103.
- The strategic location of the municipality along major tourism routes in terms of the Drakensberg and the Coast, promoting a well-developed functional tourism industry, i.e. the Midlands Meander.
- High quality recreation resources (e.g. Midmar Dam, Albert Falls, Karkloof Falls, scenic routes, etc.)
- Relatively low levels of access to urban services and facilities for some rural communities.
- Relatively low levels of participation in the local economy by low income communities.
- Extensive area of indigenous vegetation and water courses, requiring careful environmental management.

1.4 Existing Nodes and Corridors

1.4.1 Development Concept

The broad development concept contained in the uMngeni SDF consists of the following:

- A Primary node, and two secondary nodes,
- The Rural Component
- Corridors are as follows:
- Provincial Priority Corridor (N3)
- Primary Corridor (R617)
- Secondary Corridor (R103)
- Tourism Link Routes

1.4.2 Primary Node

Mpophomeni, Howick and Hilton are the major residential centers within the uMngeni Municipality. Given the principles set out in Chapter 1 of the Development and Facilitation Act, and in view of the Council's planning and development objectives, the primary node would incorporate the following areas.

- Mpophomeni
- Midmar Dam and its immediate surrounds
- Howick
- Merrivale and surrounding smallholdings
- Cedara
- Hilton
- The area between Hilton and Hilton College
- World's View

The area has a largely urban setting and incorporates the major economic and administration activities. It accommodates the municipal offices, Provincial Government offices, major schools, police stations, a magistrate's court and a large variety of commercial and retail outlets. The "village in the country" atmosphere which is evident in large portions of the area is an important attribute which needs to be conserved and enhanced.

The three residential nodes are separated by farms and smallholdings, but linked by the Primary Transportation Route (N3) and the Boston Bulwer Road (R617), providing a high degree of accessibility. It is recommended in the uMngeni SDF that the concept of a mixed use corridor be employed to link Howick and Mpophomeni. The emphasis is on providing a growth of mixed usage between separate parts of the urban area created by apartheid planning policies. More detailed planning of the corridor in the form of a local area development plan needs to be undertaken, taking into account the proximity of Midmar Dam and issues such as water quality, landscape quality and compatibility with tourism objectives.

Midmar Dam is a hugely underutilized recreation and tourist resource, which in future will serve as the green core and be an integral part of the urban area. Its primary function is obviously to continue providing high quality water to the downstream urban areas and Metropolitan Durban, but its recreation and tourism usage can be significantly enhanced without having a detrimental effect on its primary function. This will require a strategic and well informed plan and inter-governmental consensus with regard to integrated planning, development and optimum resource usage. It is for these reasons that Midmar has been incorporated into the primary node, and Council has already initiated a master planning exercise for the area.

1.4.3 Secondary Nodes

The areas of Lidgetton and Nottingham Road, linked by the R103, have been identified as Secondary Nodes. These areas play an important role as service centres to farmers in the western and central portions of the municipality, providing housing and a smaller range of commercial and social services than what is offered in the Primary Node. The tourism role of Nottingham Road is acknowledged. The uMngeni SDF recommends that more detailed planning of the secondary nodes should be undertaken in the form of Local Area Development Plans.

1.4.4 Corridors

The following explanation of the corridors has been derived from the District SDF to which the uMngeni SDF is aligned:

Provincial Priority Corridor (PC2) - Camperdown to uMsunduzi to Mooi River (N3). The main function of this corridor is as a limited access, long distance movement corridor. However, along the urban component of the corridor it will attract the full range of urban uses. This development pressure should be accommodated on a planned basis, without undermining the corridor's primary function. In this way, environmental objectives will be served and the existing and potential tourist routes can be protected.

Primary Corridor R617 - The rationale for Primary Corridors as provided in the District SDF indicates that these corridors provide the major linkages with the adjoining Districts to the

north, south and east. In some cases, these routes serve as alternative routes to the major national routes. The primary function of these corridors is long distance traffic movement, but development should be encouraged at appropriate locations along the corridors.

Secondary Corridor R103 - These corridors link nodes inside the Municipality, and also provide linkages with external nodes. In the case of the R103, it serves as both an established tourist route and an alternative route to the N2, which is problematic.

Tourism Link Routes - One of the main objectives of the Tourism Strategy is to spread the successful development of the Midlands Meander to other areas with tourism potential. From a spatial development point of view, this can be achieved by:

- Improving linkages between the Midlands Meander and other existing or potential tourist routes
- Improving access to the Drakensberg
- Improving accessibility to areas with high scenic and landscape quality and other attractions

1.4.5 Urban Edges

The uMngeni SDF has defined boundaries to the 3 urban nodes within the municipality and has identified development parameters for the remaining rural areas. Both environmental sensitivity and agricultural potential areas have been analysed. This approach can be said to substantially align with the provincial spatial planning guideline entitled “Refining limits on Settlement Expansion: The issue of the Urban Edge.

1.5 Land Cover and Broad Land Uses

1.5.1 Land Cover

The municipal area is mostly covered by grassland which amount to 57% of the land area. Forestry and cultivated land have the second and third highest land with almost 16% for forestry and just over 12% for cultivated land respectively. The settlement areas cover 2.91% of the land area and the rest is covered by water resources. Map 2 of Annexure A indicates the Land Cover within the municipality.

1.5.2 Land Uses

In terms of land uses, the area of the municipality is used for grasslands, cultivation of land, forestry, indigenous bush, settlements, wetlands and dams in order of hectares used. The dominant land uses is cultivation of land through agriculture and settlements. Map 3 of Annexure A indicates the different Land Uses found within the municipality.

LAND USE	SIZE (ha)	% CONTRIBUTION
Settlement	4574	2.91
Small Dam	1388	0.88
Midmar Dam	1786	1.14

Albert Falls Dam	713	0.45
Cultivated Land	19519	12.42
Forestry	25017	15.91
Grassland	89680	57.05
Natural Bush	11377	7.24
Wetland	3141	2.00
Total	157194	100

Table 3

Detailed Land Use Plans have been created for the urban areas and can be made available where they are needed. The following Summary Table 3 was put together in 2011 to inform the economic plan.

Area Name	Vacant		Residential Dwelling		Residential Medium Density		Industrial		Commercial	
	No.	Extent (ha)	No.	Extent (ha)	No.	Extent (ha)	No.	Extent (ha)	No.	Extent (ha)
Greater Hilton	153	286.6	2209	960.7	32	48.3	7	5.6	23	20.6
Greater Howick	323	198.9	4289	585.2	86	215.7	127	101.2	188	80.4
Mpophomeni	262	16.6	6116	186.8	0	0	2	3.4	4	0.3
Nottingham Road	41	9.2	358	140.5	0	0	0	0	22	11.8
Lidgetton	36	5.7	513	37.6	0	0	0	0	4	0.5
Total	815	517	13385	1910.8	118	264	136	110.2	241	113.6

Table 4

1.6 Land Ownership

Existing understanding on land ownership is that land in uMngeni Municipality is mainly in private ownership. Major Government land ownership would cover the primary dams in uMngeni i.e. Midmar, Albert Falls (and Spring Grove which is presently under construction), Government Schools, Government Facilities and Cedara College. Adjacent to Mpophomeni are areas owned by Ingonyama Trust. Forestry companies such as Mondi own substantial areas of farmland. Some of the Mondi land holdings adjacent to the N3 in Hilton have been earmarked for urban development, and an application for development has recently been approved.

Private Educational Institutional land holdings of a substantial nature include St Joseph's Scholastic, and Hilton College. These are situated within the Primary Node and together with Cedara College have been designated as Institutional and Urban Agriculture" in terms of the latest Spatial Development Framework Plan proposals.

1.7 Land Reform

The municipality has a number of land reform farms which have either settled or non-settled. These have however been gazetted restitution claims. There are currently 6 Land Redistribution projects that have culminated from the Land Reform Programme within uMngeni. Map 4 of Annexure A indicates the status of Land Reform within the municipality.

1.8 Land Capability

There are 8 Classifications. There is no land in uMngeni classified as Class I, but substantial areas classified as Class II which means that there are some limitations to farming but these can be addressed by correct agricultural practices.

Limited areas of Classes VII and VIII where cultivation should not take place occur on the extreme northern and western edges of the uMngeni Municipality related to the Karkloof Nature Reserve and areas within the uKhahlamba Drakensberg Park buffer zone. Map 5 of Annexure A indicates the Land Capability of the municipality. 10.5

1.9 Private Sector Developments

Figure 1 below is a list of PDA applications that have been lodged and approved by the uMngeni Municipality from 2010 up to 2013. As can be seen from Figure 1 below, the municipality receives quite a number of applications with an average of 47 annually, the most being lodged in 2011 where more people had an understanding of the Planning and Development Act. With the introduction of the SPLUMA, it will be equally important that capacity and awareness to the public at all levels is ensured.

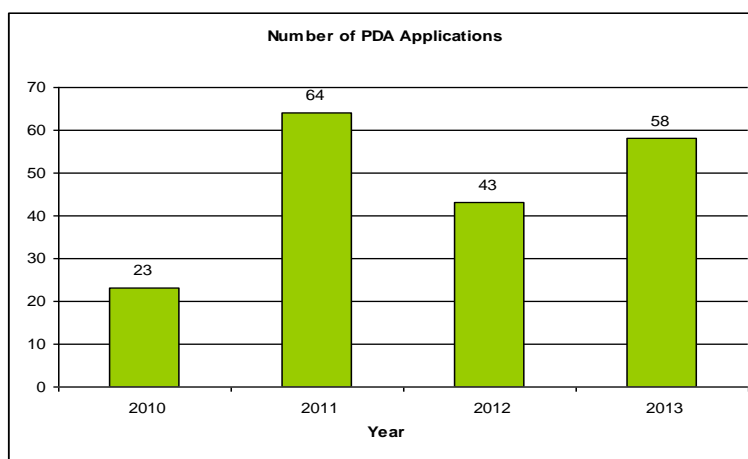


Figure 1

Map 5 of Annexure A indicates the spatial trends in the municipality with regards to PDA applications. It is clear from the map that the demand for development is in the Howick and the Hilton areas with others spread on the R103 corridor heading towards Nottingham Road. There is also a few applications that have been approved in the farm areas of the municipality.

1.10 Environmental Analysis

In terms of the IDP Guidelines, the environmental analysis will need to cover Biodiversity, Hydrology, Air Quality, Climate Change and Strategic Environmental Assessment (SEA). This has been noted and brought forward for attention as strategies. Comprehensive Environmental and Climate Change Reports have been produced at District level, and will need to be analysed by an Environmentalist for interpretation of the uMngeni context.

1.10.1 Biodiversity

In terms of the C-Plan and MINSET assessments undertaken by Ezemvelo KZN Wildlife (EKZNW), uMngeni contains extensive areas of conservation significance.

These assessments are at a very broad level, and a more detailed assessment has been undertaken at a local level taking current land use and slope into account. This was last updated in 2011 and takes into account the latest EKZNW information and current land use. The plan of environmental priority forms an integral part of the uMngeni SDF and is used to assess development applications. The following categories of Environmental Priority are identified:

Priority 1: This category represent areas within the Municipality that have been identified by EKZNW as important species, ecosystems or landscapes; and which are natural ecosystems as per the land use data for the Municipality such as grasslands or indigenous forests. These areas are therefore untransformed and of high biodiversity importance.

Priority 2: These areas represent natural ecosystems as above but which have not been identified by EKZNW as areas of important species, ecosystems or landscapes. They therefore are not of biodiversity importance, but do play a role in the functional importance of biodiversity and ecosystem goods and services. These areas are therefore still important, specifically in uMngeni, in terms of water production.

Priority 3: These areas are those that were identified by EKZNW as of importance but which are transformed i.e. cultivated. These areas could possibly be rehabilitated, but in terms of land use management cannot be regarded as high priority areas.

A 2011 study covering the sensitivity of landscapes to tourism confirms the suitability of the Midlands Meander area for tourism. Limited areas to the west in close proximity to the Drakensberg are highlighted due to the high sensitivity of the landscape. A worrying aspect is that these areas are in private ownership. Also highlighted is the sensitivity of the Karkloof Nature Reserve. The study has identified further areas to the north of Howick as having high capacity for tourism. The high agricultural potential of these areas has not, however, been taken into account.

Recently there has been private Nature Reserves gazetted, for example, on portion of the Hilton College estate. A further Private Nature reserve has been proposed in the Midlands. Within the Howick Urban area, there are areas set aside for Conservation purposes that include Howick Falls, portions of the Umgeni River Valley and Beacon Hill Ingongoni Mistbelt Reserve.

Further areas of recent environmental planning include the Provincial Environmental Corridors and the buffer proposed to be established to protect the Okhahlamba Drakensberg World Heritage Site. The impacts of these proposals on the areas of high agricultural value are of concern in the uMngeni context. The 2011 COP17 Conference held in Durban at the end of 2011 and the District's Climate Change Report has highlighted the need for focus on green issues and to strive for sustainable development practices.

1.10.2 Hydrology

Rivers occurring within uMngeni Municipality include the major river for the Durban-Pietermaritzburg region via the uMgeni River as well as the Lions, Mpofana, Karkloof, Dargle, Gudu, uMthinzima, KwaGqishi, Nguku, Kusane, Gwens Spruit and Elands with the Mooi River forming a portion of boundary between the uMngeni and Mpofana Municipalities. The headwaters of the uMgeni River straddle the boundary between the uMngeni and Impendle Municipalities. The major storage dam for the regional economy viz. Midmar Dam is located in uMngeni Municipality as well as a portion of the Albert Falls Dam, which also plays an important role in the assurance of bulk water supply for the region. Midmar Dam is a critical storage dam with good water quality that needs to be retained to avoid a drastic increase in water treatment costs. Therefore the majority of uMngeni Municipality occurs within the strategic quaternary catchment for water supply for the Durban-Pietermaritzburg economy. The Spring Grove Dam, on the Mooi River which is required to augment the existing water supply for the region, was recently opened by the President of the Republic and is steadily filling up.

1.10.3 Climate Change

The District Municipality has commissioned consultants to create a climate change response strategy and plan. An Impact and Vulnerability Assessment has been completed, and work is proceeding on the response strategy plan for uMgungundlovu.

The predictions show that there will be more severe storms and overall higher temperatures. The response strategy will cover disaster management and human settlements; municipal infrastructure and services; economic effects on agriculture and commerce; and biodiversity and ecosystems.

Key strategies include the determination of floodlines and the need for people to move out of flood plains, the preservation of grasslands and forests and the planting of trees. Increased fire risk means education on how to make homes safer, and the burning/creation of fire breaks. Infrastructure will need to be improved to be able to respond to increased storm water and higher temperatures. Farming and Conservation approaches will need to adapt.

1.11 Spatial and Environmental Trends and Analysis

In terms of land use management the following equally important but seemingly conflicting objectives will need to be balanced:

- The protection of high potential agricultural land;
- The release of land for future urban expansion;
- The facilitation of tourism development;
- The conservation of areas of conservation and water production significance.

1.12 Cross Cutting Interventions: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ SDF is reviewed annually ▪ Well defined nodal areas in the municipality ▪ Well defined corridors with satisfactory access to all nodal areas ▪ Functional Shared Services Model to support development and spatial planning ▪ Water catchment areas provide water resources to communities and businesses ▪ Municipality is situated along the N3 ▪ High potential agricultural land ▪ Location of the Municipality within the Midlands Meander as a key tourism destination ▪ High conservation areas ▪ The municipal SEA is in place ▪ Wall to wall scheme has been finalised 	<ul style="list-style-type: none"> ▪ Lack of Local Area Plan for the nodes ▪ Lack of Capital Investment Framework that is linked to the IDP and Budget ▪ Lack of resources to properly implement enforcement ▪ Lack of town planning capacity building in communities especially in Mpophomeni ▪ The Disaster Management Plan is outdated ▪ Lack of human resource within the Town Planning Unit and Building Inspectorate could lead to major backlogs thus compromising service delivery ▪ The municipal SEA has not been reviewed for over five years ▪ High potential agricultural land ▪ The municipality does not have the power to provide all the services that are necessary for development to occur
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ SIP2 and SIP11 provides ability to access funding ▪ Water catchment areas e.g. Spring Grove Dam, Midmar Dam etc. ▪ Uncommitted land around the interchanges along the N3 ▪ Pietermaritzburg Capital City provides an opportunity to access government services ▪ The UMDM SEA expanding as a development node ▪ Location of the municipality along tourism route 	<ul style="list-style-type: none"> ▪ High levels of subdivision applications lodged within the municipality could lead to loss of agricultural land ▪ Building Inspectorate Office does not have fire proof cabinets ▪ Lawlessness in complying with planning laws ▪ No fire proof cabinets for building plans

Table 5

1.13 Disaster Management

1.13.1 Municipal Institutional Capacity

Disaster Management is a District level function and a Disaster Management Centre has been set up. Disaster Management at the local level is coordinated by the Community Services Department with a Disaster Management Officer and 5 Controllers accommodated in the municipal structure to deal with disaster issues in the municipality. There is a Local Disaster Management Plan but is outdated and requires review. A reviewed local Disaster Management Plan will be incorporated as part of the Final IDP Review.

1.13.2 Risk Assessment

Risk may be defined as the expected damage or loss caused by any hazard whilst a hazard refers to the potential occurrence, in a specific time period and geographic area, of a

natural phenomenon that may adversely affect human life, property or activity to the extent of causing a disaster. A hazard occurrence (the earthquake, the flood, or the cyclone, for example) becomes a disaster when it results in injuries, loss of life and livelihoods, displacement and homelessness and/or destruction and damage to infrastructure and property.

The uMngeni Municipality keeps an incident register where all relevant information regarding major incidents are kept. As part of a Risk Assessment workshop to inform the UMDM Disaster Management Plan in relation to uMngeni LM, the following potential hazards with their risk profile were identified:-

Potential Hazard or Hazardous Events	Category	Peak Season	Vulnerability	Likelihood	Rating	Consequence	Rating	Risk Rating	Risk Profile
Flooding	Natural	Summer	Medium	Likely	4	Moderate	3	12	High
House Fires	Man-induced	Winter	Medium	Likely	4	Moderate	3	12	High
Veld Fires	Man-induced	Winter	Medium	Likely	4	Moderate	3	12	High
Severe Storms	Natural	Summer	Medium	Likely	4	Moderate	3	12	High
Landslide					0		0	0	0
Transport accident	Technological	All year	Medium	Likely	4	Moderate	2	8	Medium
Environmental pollution	Man-induced	All year	Medium	Possible	3	Moderate	3	9	Medium
Hazmat	Technological	All year	Medium	Possible	3	Moderate	3	9	Medium
Animal and plant disease	Biological	All year	Medium	Possible	3	Minor	2	6	Medium
Epidemic human disease	Biological	All year	Medium	Possible	3	Minor	2	6	Medium
Drought					0		0	0	0
Lightning and thunderstorm	Natural	Summer	High	Possible	3	Minor	2	6	Medium
Tornados	Natural	Summer	High	Possible	3	Minor	2	6	Medium
Snow	Natural	Winter	Medium	Likely	4	Minor	2	8	Medium

Table 6

1.13.3 Risk Reduction and Prevention

Improved capacity within the Municipality will ensure more effective and coordinated response during the fire incidents. Awareness amongst the vulnerable communities is vital because most of the occurrence of these incidents stem from the lack of knowledge or negligence.

Structural (or passive) fire protection measures provide inherent protection against fire. With the emphasis on fire prevention and protection, building inspections will ensure that fire safety is built into the design of all new and refurbished commercial buildings. Passive fire protection maintain the stability of a building's structure during fire and keep escape routes safe - so people have time to get out - and fire officers have time to get in.

Structural measures such as fire hydrants improvement program will be undertaken to prevent or reduce the likelihood of a fire that may result in death, injury, or property damage, or to reduce the damage caused by a fire.

1.13.4 Response and Recovery

The aim of emergency response is to provide immediate assistance to maintain life, improve health and support the morale of the affected population. Such assistance may range from providing specific but limited aid, such as assisting refugees with transport, temporary shelter, and food, to establishing semi-permanent settlement in camps and other locations. It also may involve initial repairs to damaged infrastructure. The focus in the response phase is on meeting the basic needs of the people until more permanent and sustainable solutions can be found. Humanitarian organizations are often strongly present in this phase of the disaster management cycle.

The aim of the recovery phase is to restore the affected area to its previous state. It differs from the response phase in its focus; recovery efforts are concerned with issues and decisions that must be made after immediate needs are addressed. Recovery efforts are primarily concerned with actions that involve rebuilding destroyed property, re-employment, and the repair of other essential infrastructure.

The Departments should have detailed response plan in place for each type of disaster. The actions to be taken at different times and the responsible person within the District should be identified in the response plan. The response actions for such disasters that can be forewarned (e.g. flood) will start from 72 hours before the occurrence. The response actions for such disasters that cannot be forewarned (e.g. Earthquake) will start immediately after the occurrence of the disaster. The response planning should be prepared for each type of disaster.

1.13.5 Training and Awareness

Training, capacity building and public awareness campaigns will be important instruments of disaster reduction and recovery. Volunteer Units are not an enforceable legislative requirement. Volunteer Units serve as a great link between the Municipalities and Communities. The lack of Volunteer Units therefore limits the cooperation between the Municipalities and the Communities in terms of Disaster Management. An adequate amount of trained staff is needed to realize the objectives put forth by the disaster management legislation.

1.13.6 Funding Arrangements

The following funding arrangements need to be considered by the uMngeni LM and UMDM in order to effectively respond to disaster issues in the municipality:-

- Disaster Management Plan Review
- Budget for key staff within uMngeni LM

1.13.7 Disaster Management: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Functional Disaster Management Unit at the District Municipality ▪ Local response personnel to disaster issues in place 	<ul style="list-style-type: none"> ▪ Lack of coordinated planning between the municipality and Ingonyama Trust Board ▪ Outdated Disaster Management Plan ▪ Lack of training, capacity and public awareness to disaster issues to communities ▪ Lack of sufficient human resources within the Municipality to tackle disaster issues ▪ Centralisation of the Disaster Management Unit at the District Municipality ▪ Lack of a functional Disaster Management Advisory Forum
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ Review of the Disaster Management Plan ▪ Education, training and public awareness 	<ul style="list-style-type: none"> ▪ Flooding, house fires, veld fires and severe storms have been identified as the highest risks ▪ Illegal developments in disaster prone areas

Table 7

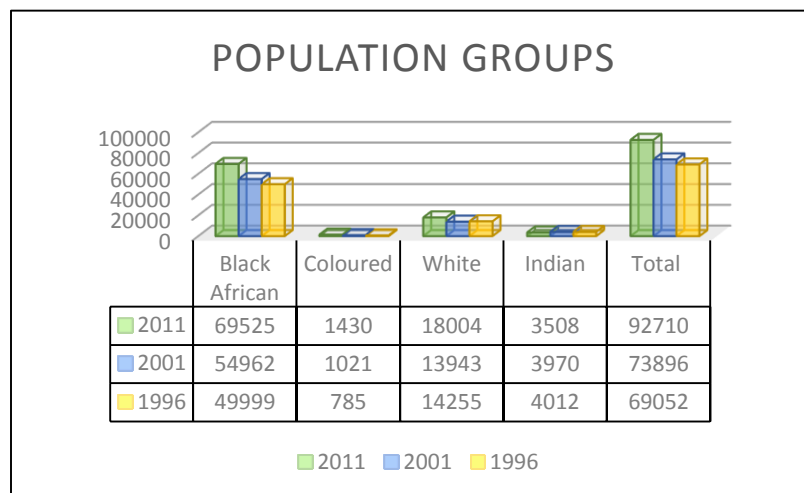
2. DEMOGRAPHIC TRENDS

As prescribed in Chapter 5 Section 26 (b) of the Municipal Systems Act, an Integrated Development Plan must amongst other things reflect an assessment of the existing levels of development in the municipality which, must include an identification of communities which do not have access to basic municipal services. Amongst other reputable sources of data, Stats SA has been utilised as the main source of data used in this analysis of the current municipal situation. Over and above this is a comparison between the current and previous Census conducted in order to have an understanding of the trends. The available statistics have been utilised as evidence which allows for understanding of issues which will allow for proper planning. The important aspect of utilizing these statistics is how the uMngeni municipal council balances these facts with the community needs.

2.1 Demographic Indicators

2.1.1 Population Groups

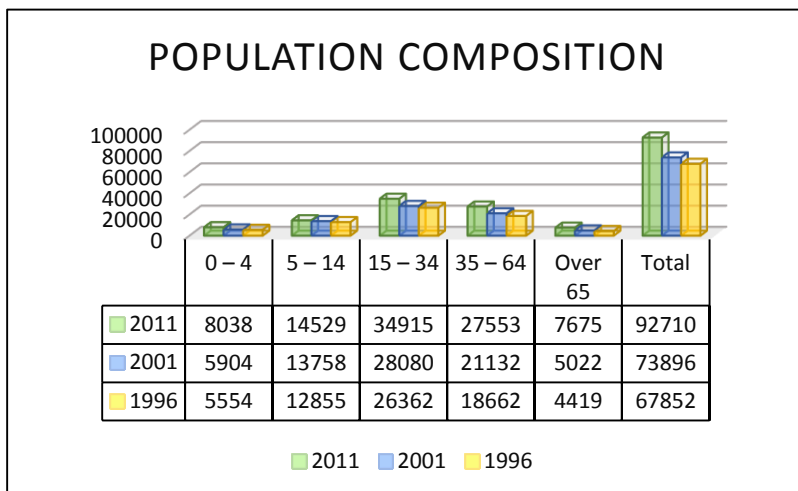
Figure 2 - Source: Stats SA (Census 2011)



The analysis of population groups is important especially in the context of South Africa as a perceived rainbow nation but more over because of past segregation laws. The more diverse society is, the more consideration must be given to cultural or religious factors in the planning or implementation of national, provincial and local government programmes. It will be more useful in future planning to have an analysis of the spatial location of different groups within the municipality which will serve as a tool to measure how far we've come to have a more inclusive society. Figure 2 above reveals that the population of the municipality is estimated to be 92710 which is higher than in 2001. The majority of the population consist of Black Africans with the Coloured community being the minority. The Coloured population has almost doubled since 1996 and from 2001 to 2011, the Coloured population had the highest growth rate of 28.6% in the municipality. The White population had the second highest growth rate of 22.6% between the years 2001 to 2011 which was significantly higher by 20.36% compared to the period 1996 to 2001. The Black population had the third highest growth rate of 20.95% which was higher by 11.92% compared to the period of 1996 to 2001. In the years 2001 to 2011, the Indian population declined by 13.17%

2.1.2 Population Composition by Age Group

Figure 3



Source: Stats SA (Census 2011)

The population composition by age group data becomes crucial in the planning process because it gives a symptom as to the kind of services required at different age group. For example the older your population is, the more consideration there should be for retirement homes, pension pay point etc. Figure 3 above reveals that the age groups in the municipality have remained consistent since 1996. The highest percentage of the population distribution is between the ages 15-34 which forms 38% of the entire uMngeni municipal population. There is currently a higher percentage of people over the age of 65 compared to 1996 and 2001. This increase is further compounded by the number of retirement villages that have been developed within the municipality.

2.1.3 Fertility Rate

Fertility rate represents the average number of children that would be born to a woman over her lifetime. There is currently no data available on total fertility rate (TFR) at a municipal level and for this reason the national, provincial and district estimate have been utilised. The fertility rate estimate for 1996 and 2001 is at a national and provincial level whilst the 2007 estimate is at a district level respectively.

Table 8

Indicator	FERTILITY RATE		
	1996	2001	2007
Total fertility rate	3.1	2.84	2.2
	1996	2001	2011
Adolescent fertility rate	80.59	72.69	52.52
	1996	2001	2011
Crude birth rate	25.66	24.99	20.90

Source: Source: Stats SA (Census 2011), United Nations, World Bank

Based on the available information, there has been a decline in the TFR from 3.1 in 1996 to 2.2 in 2007. Since 1996, there has been a decline in adolescent fertility rate from 80.59

in 1996 to 52.18 in 2011 and the crude birth rate has also decrease from 26 per 1000 people in 1996 to 21 in 2011

2.1.4 Mortality Rate

Mortality rate is a measure of the number of deaths (in general, or due to a specific cause) in a population, scaled to the size of that population, per unit of time. Mortality rate is typically expressed in units of deaths per 1,000 individuals per year; thus, a mortality rate of 9.5 (out of 1,000) in a population of 1,000 would mean 9.5 deaths per year in that entire population, or 0.95% out of the total. The mortality rate contained in Table 8 below relates to data available at a district level and not at local municipal level.

Table 9

MORTALITY RATE		
Indicator	2008	2010
Total mortality rate	14804	12219
Under 5 mortality rate	251	156
Infant mortality rate	612	454
Leading cause of death	Tuberculosis	Tuberculosis
	2002	2008
HIV prevalence	11.7%	15.8%

Source: Stats SA (Census 2011)

At a district level there has been a decrease in mortality rate when comparing figures from 2008 and 2010. The infant and under 5 mortality rate has also declined which is a signal of a better primary health sector. The leading cause of death is Tuberculosis which is also linked to HIV/AIDS. The HIV prevalence increased from 11.7% in 2002 to 15.8% in 2008 within the uMgungundlovu District. The municipality has develop an HIV Strategy to combat the HIV prevalence.

2.1.5 Life expectancy

Life expectancy is the average number of years a person can expect to live if in the future they experience the current age-specific mortality rates in the population. The indicators of life expectancy are not available at a local level but are at a provincial level. The data gathered is from Stats SA 2013 Mid-year population estimates.

Table 10

LIFE EXPECTANCY				
Indicator	2001-2006	2006-2011	2011-2016	2012
Males	45,7	50,0	53,4	-
Females	51,0	55,2	58,7	-
Human Development Index	-	-	-	0.67

Table 9 above reveals that since 2001 the life expectancy for both males and females has been increasing and that trend is anticipated to continue up to 2016. The female life expectancy has been higher by an average of 5 years over the years. The increase in the supply of antiretroviral has been one of the factors for the increase in life expectancy.

2.1.6 Household

Table 11

HOUSEHOLDS			
Indicator	1996	2001	2011
No. of households	15610	20488	30490
Average household size	4.5	3.4	2.8
% female headed households	32.4	38.8	42.7
% child headed households (0-17)	0.6	0.3	0.4
Tenure Status (% owned)	-	33.3	36.2

Source: Stats SA (Census 2011)

There are currently approximately 30490 households within uMngeni Municipality compared to 20488 in 2001. Even though, there are no official figures but there has been an increase in the number of households since 2011 when one considers the significant number of building plans approved for new dwelling units on vacant land. The average household size has decreased from 3.4 in 2001 to 2.8 in 2011. Since 1996 there has been an increase in female headed households with the current figure being 42.7% of the population. What is of more concern is the increase of child headed households from 0.3% in 2001 to 0.4% in 2011. There are currently 36.2% of households that are owned and have full tenure status.

2.1.7 Basic Services

The basic services data must be understood in the context of the number of households within the municipal area. Table 11 below reveals a significantly number of households with access to piped water, electricity and sanitation compared to 1996 and 2001. Households with access to piped water is 95% in 2011 up from 92% in 2001. Households with access to electricity has increased by 11% to 85% in 2011 which is higher by 19% compared to 1996. Households with access to sanitation are higher by 12% to 81% when comparing data from 2001 and 2011.

Table 12

HOUSEHOLD ACCESS TO BASIC SERVICES			
Indicator	1996	2001	2011
No. of households	15610	20488	30490
Piped water	89%	92%	95%
Electricity	66%	74%	85%
Sanitation	61%	79%	81%

Source: Stats SA (Census 2011)

SUMMARY - Implications and conclusions

The Eradication of Basic Services backlogs are a priority for the uMngeni Municipality. The eradication of the bucket toilet system, ensuring all households have access to water and sanitation services', increasing the population's domestic waste collection service and electrification are part of the council commitment to halving poverty by 2014.

Piped Water - According to the latest 2011 Census data, there is currently approximately a 5% backlog in the number of households that require access to piped water.

Electricity - Based on the latest 2011 Census data, there is currently 15% of households that require electrification within the uMngeni Municipality.

Sanitation - The sanitation backlog is currently 19% of the number of households that exists within the municipality.

2.1.8 Education Status

Table 12 below indicates that, there has been a decline in the number people that are 20 years and older who have no schooling from 15% in 2001 to 12% in 2011. The level of some primary in the same age group has also decreased from 17% in 2001 to 12% in 2011. As much as there is no available data for teacher to learner ratio, the current numbers as reflected for 2011 are encouraging in context of attention given to each learner. Even though there has been an increase in the number of people who have some secondary schooling and Grade 12, the numbers are still relatively low with only 30% of the population having completed Grade 12. Even more concerning is the low levels of people with higher education which is 15% in 2011. The ratio from Grade 12 to higher education is however encouraging as at least 50% of people who obtain Grade 12 continue to seek higher education.

EDUCATION STATUS			
Indicator	1996 %	2001 %	2011 %
Attending educational institution	63	67	60
No schooling (20 years & older)	16	15	6
Some Primary (20 years & older)	15	17	12
Complete Primary (20 years & older)	6	6	4.4
Teacher learner ratio	-	-	23 to 1
Some Secondary (20 years & older)	32	28	32
Grade 12 (20 years & older)	18.4	22	30
Higher (20 years & older)	12	12	15

Table 13 - Source: Stats SA (Census 2011)

2.1.9 Employment Status

Table 13 below reveals the official unemployment rate within the municipality to be 23.9% which is higher than the district figure of 30.4%. The youth unemployment rate has decrease from 45.6% in 2001 to 32% in 2011. The tertiary sector is the main occupation sector within the municipality and the breakdown of this sector is detailed further down this document.

Table 13

UNEMPLOYMENT STATUS			
Indicator	1996	2001	2011
Unemployment rate (official %)	29.6	34.3	23.9

uMgungundlovu District	38.4	46.3	30.4
Unemployment rate (by sex %)			
Unemployment rate (youth)	-	45.6%	32%
Main occupation sector	-	Tertiary Sector	Tertiary Sector

Table 14 - Source: Stats SA (Census 2011)

2.1.10 Income Status

The municipality could not source all the data required for the Income Status demographics but effort will be made that it is included in the Final IDP Review as it is important for planning purposes. The average household income has improved from 2001 to 2011 at R117, 881. The data used for the Gini coefficient has been measured at a district level. Gini coefficient measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy. The Gini coefficient is currently at a high 0.62 as of 2012. The current indigent register indicates that there are 2609 households earning less than R3000 a month which enables them to receive free basic services from the municipality.

Table 15

INCOME LEVELS			
Indicator	1996	2001	2011
Average household income (R)	-	66135	117881
Indigent households (below R3000)	-	-	2609
Social grant recipients			
Deprivation index			
Gini coefficient			0.62

Source: Stats SA (Census 2011), uMngeni Municipality

2.1.11 Safety and security

Table 15 below indicate the number of police stations that are functional in the municipal area from 1996 to 2011. One police station has been allocated in the municipality from 3 in 1996 to 4 in 2011. This means more people have access to safety facilities than in 2001.

Table 16

SAFETY AND SECURITY			
Indicator	1996	2001	2011
No. of police stations	3	3	4

Source: Stats SA (Census 2011)

3. MUNICIPAL ORGANISATIONAL DEVELOPMENT ANALYSIS

3.1 High Level Municipal Organogram

Following the Strategic Planning Session held from 3-5 November 2015 where there was a review of municipal goals and strategic objectives, there was a need identified to also review the current structure of the municipality such that it responds to the current needs and direction of the municipality. This process is underway. In order to have an effective human resource, the municipality will also develop a Human Resource Development Strategy that not only responds to institutional but also external factors related to human resource development aligned to the PDGS.

The current structure of the municipality is such that it meets all the service delivery mandates. The structure contains the office of the municipal manager and five departments. Each department is headed by a General Manager (Sec 57) who are directly accountable to the Municipal Manager. Each department has a sub unit headed by Managers directly accountable to the General Managers. A complete municipal organogram has been included as Annexure B of this document.

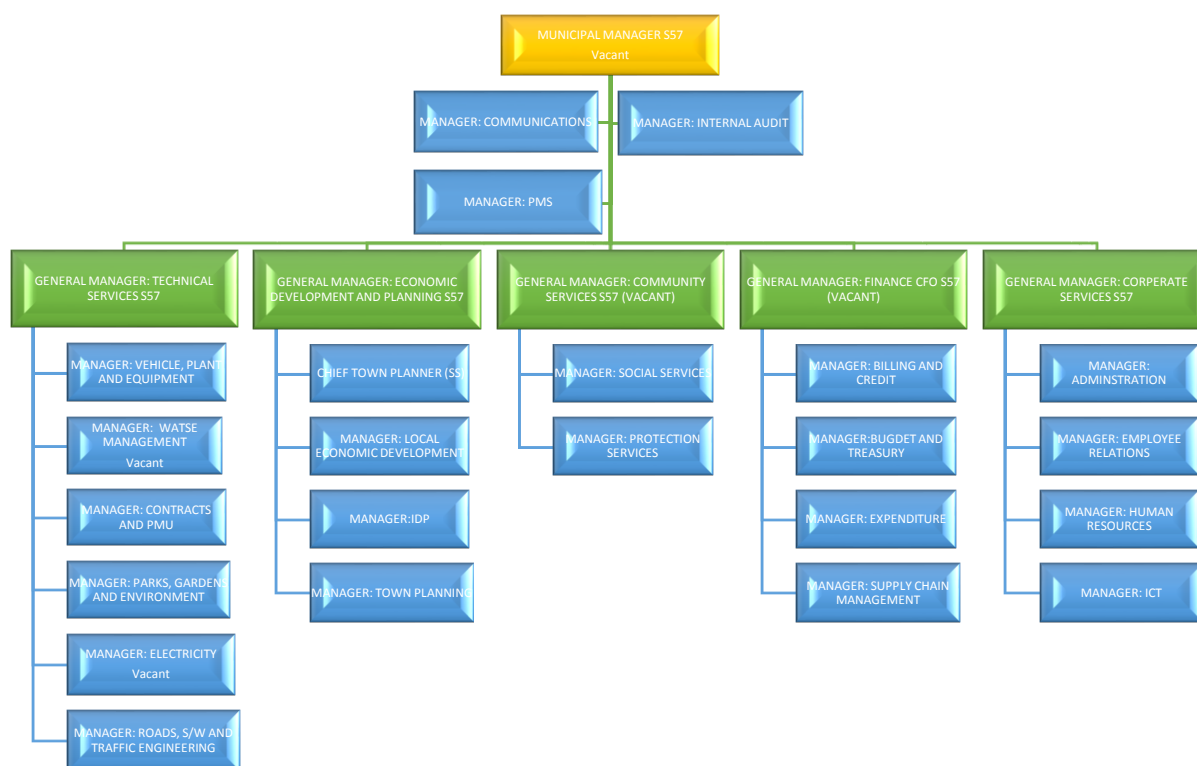


Figure 4 – High Level Organogram

3.2 Organisational Development

3.2.1 Institutional Arrangements

Council

The Council comprises of 23 Councillors, constituted from 12 Ward Councillors; and 11 proportional representation (PR) Councillors. The portfolio committees are made up of Councillors drawn from all political parties. Parties and gender representation in Council are illustrated on Table 16 below.

Table 17

Party		Total Seats	Ward Seats	PR Seats	Gender
African National Congress		14	8	6	F=8 M=6
Democratic Alliance		9	4	5	F=6 M=3

The Council receives regular reports on the exercise of executive powers, including quarterly and annual reports on the exercise of delegations and overall performance, from the Mayor and Executive Committee.

Executive Committee

The Mayor of uMngeni Municipality, Cllr MP Myeni, assisted by the members of EXCO, heads the executive arm of the municipality. The Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs of the municipality. She has an overarching strategic and political responsibility.

The key element of the executive model is that executive power is vested in the Mayor, delegated by the Council, as well as the powers assigned by legislation. The Mayor is also the first citizen of the municipality and attends to ceremonial duties.

Section 79 Portfolio Committees

Section 79 oversight committees have been constituted and are chaired by Councillors. The portfolio committee's primary responsibility is oversight of the executive arm of the municipality's governance structure. Section 79 portfolio committees monitor the delivery and outputs of the executive, and may request departments, to account for the outputs of their functions.

This governance model also separates Councillors, as public representatives, from those responsible for executive decision-making and day-to-day operations. Although the Section 79 portfolio committees play an oversight role, they do not have any decision-making powers. These committees are responsible for submitting reports to Council as the Legislature. The Section 79 portfolio committees and their Chairpersons are shown on Table 17 below.

Table 18

COMMITTEES	CHAIRPERSON
Management Cluster	Cllr MP Myeni
Technical	Cllr MP Myeni
Social and Economic Development Cluster	Cllr SR Majozi
Municipal Public Accounts Committee (MPAC)	Cllr STJ Ndlovu
SUB – COMMITTEES	
Credit Control	Cllr P Passmoor
Local Labour Forum	Cllr Pillay
Informal Traders	Cllr TG Nxele
Valuation	Cllr Pillay
Audit Committee	-
Land Fill Monitoring Sub Committee	

Municipal Administration

The uMngeni Municipality is comprised of 5 departments that are aligned to the strategic objectives of the municipality and report directly to the Municipal Manager, namely:

- Department of Corporate Services
- Department of Finance
- Department of Community Services
- Department of Economic Development and Planning
- Department of Technical Services

3.2.2 Powers and Functions

The uMngeni LM currently performs all its mandated Powers and Functions as stated in the Constitution. The uMngeni LM functions are listed in Table 18 below and as indicated some of the functions are shared with other organs of state. The water and sanitation was initially a local function but was later transferred to the DM. The municipality has the function to provide electricity in some areas whilst Eskom provides for most of the municipal areas. The Hilton area is unique in sense that it falls within the jurisdiction of the uMngeni LM but the uMsunduzi LM is the electricity distributor as the area is connected to the adjoining municipality's electricity grid. Some of the functions listed below are performed by other organisations but the LM plays a critical role in the rendering of those services to communities.

As will be seen from the Organisational Structure section **(3.2.3)** below, the municipality has satisfactory institutional arrangements to perform its powers and functions.

Table 19

FUNCTION	AUTHORITY RESPONSIBLE
1. Air Pollution	UMDM
2. Building Regulations	uMngeni Municipality
3. Childcare	uMngeni Municipality
4. Electrical Reticulation	Eskom / uMsunduzi Municipality / uMngeni Municipality
5. Fire Prevention and Control	UMDM
6. Local Tourism	uMngeni Municipality / UMDM / Tourism Association
7. Municipal Planning	Not Applicable

8. Municipal Planning	uMngeni Municipality supported by UMDM level shared services
9. Municipal Health Services	Province coordinate at District level
10. Municipal Public Transport	uMngeni Municipality
11. Harbors and Ferries	Not applicable
12. Stormwater Management	uMngeni Municipality
13. Trading Regulations	uMngeni Municipality
14. Water and Sanitation	UMDM / DWA
15. Beaches and Amusement Parks	Not applicable
16. Bill Boards and Public Advertising	uMngeni Municipality
17. Cemeteries, Funeral Parlors and Crematoria	uMngeni Municipality
18. Cleaning and Maintenance	uMngeni Municipality
19. Control of Public Nuisances	uMngeni Municipality
20. Control of Undertakings that sell liquor	uMngeni Municipality
21. Animal Care, Burial and Pounds	uMngeni Municipality / SPCA
22. Fences and Fencing	uMngeni Municipality
23. Licensing of dogs	uMngeni Municipality
24. Food Licenses	uMngeni Municipality
25. Local Amenities	uMngeni Municipality
26. Local Sports Facilities	uMngeni Municipality
27. Street Lightening	uMngeni Municipality
28. Markets	uMngeni Municipality
29. Municipal Abattoirs	Not applicable
30. Municipal Parks and Recreation	uMngeni Municipality
31. Municipal Roads	uMngeni Municipality
32. Noise Pollution	uMngeni Municipality
33. Public Places	uMngeni Municipality
34. Refuse Removal and Solid Waste	uMngeni Municipality
35. Street Traders	uMngeni Municipality
36. Traffic and Parking	uMngeni Municipality

3.2.3 Organisational Structure

The municipality has reviewed its organogram and remained with only 5 departments which are Finance, Corporate Services, Technical Services, Economic Development and Planning, Community Services. This review has resulted into more alignment with the municipality's core functions. The functions of the departments with General Managers (GM) reporting directly to the Municipal Manager are set out below. With the prospect of restructuring, functions from departments might be reallocated.

Office of the Municipal Manager

The function of the Municipal Manager's Office headed by the Accounting Officer is the overall administration of the municipality but due to the restructuring done in 2012, the functions listed below now fall directly under the Municipal Manager's office:

- Research and Communication
- Internal Audit
- Performance Management System
- Mayoral Assistance
- Youth Affairs

Corporate Services Department

The function of the Corporate Services Department covers the following areas:-

- Registry and Archives,
- Utilisation and maintenance of Municipal Buildings
- Implementation of the Administration Strategy
- Employee Assistance Programme
- Labour Relations
- Human Resources Management
- Health Promotion
- Occupational Health and Safety
- Information Communication Technology (ICT)
- Council Support and Records Management
- Legal matters

Finance Services Department

The Finance Department provides financial support and guidance to all other directorates within the municipality on financial related matters. The department is broken down into the following components in order to fulfill its obligations to its internal structures and communities, other spheres of Government and organs of State:-

- Budget and Treasury Office
- Expenditure Section
- Billing Section
- Credit Control and Revenue Management Section
- Supply Chain Management section.

Economic Development and Planning

The Economic Development and Planning Department focuses on the following aspects:-

- Land Use Management Scheme (LUMS)
- Statutory Planning
- Natural Environmental Management
- Building Control
- Integrated Development Plan
- Geographic Information Systems
- Investment Promotion and Marketing
- Local Business Support and Business Regulation
- SMME Development
- Tourism Development and Events Management
- Management of the Economic Development Forum
- Agricultural Development

Community Services Department

The functions under the Community Services Department covers the following aspects:-

- Library and Museum Facilities
- Housing,
- Community Health Services,
- Environmental Health Services
- Disaster Management, Law enforcement,
- Traffic Control
- Education and Culture Coordination
- HIV/AIDS Programme

Technical Service Department

The Technical Services Department is responsible for the day to day maintenance and development of the municipality in the following areas:-

- Refuse collection and disposal
- Roads
- Storm water management
- Traffic Engineering
- Cemeteries
- Parks and Gardens
- Environment
- Mechanical workshops
- Electricity services
- Street lighting
- Administrative support

3.2.4 Municipal Institutional Capacity and Status of Critical Posts

Municipal Institutional Capacity

The municipality has satisfactory capacity to deliver on its mandate with the recently filled positions in the different departments. The Technical Services Department yields the more tangible service delivery as it covers infrastructure related activities and for this reason is the biggest in the municipality. In order for the municipality to achieve its service delivery objectives this particular department needs to be well capacitated and is currently short staffed in some areas. There is a plan in place to fill 50 vacancies within the department but currently the introduction of the Expanded Public Works Programme (EPWP) in the municipality will enable the municipality to meet its service delivery objectives.

The introduction of the KZN Planning and Development Act meant that more so than most municipalities the uMngeni LM was going to receive many development and

statutory applications. This in turn would require more resources and through the Development Planning Shared Services (DPSS) the municipality has been well capacitated with the appointment of a Registered Planner and two GIS personnel *albeit* also providing assistance in other municipalities within the uMgungundlovu DM.

Status of Critical Posts

The position of the Municipal Manager has been vacant for quite some time which might be a major problem in terms of continuity with the developed plans and ultimately service delivery. The position is currently filled in an acting capacity. Since the last review, the municipality has made progress with the appointment of the CFO and General Manager for Community Services which will further assist in our strides for service delivery. The Accounting Officer's position has been advertised and is envisaged for appointment in due course.

3.2.5 Human Resources Development

Human Resources Management

As outlined in the MEC letter, the municipality is lagging behind with regards to the development of a Human Resource Strategy and as such, the municipality is currently developing the strategy and is envisaged to be completed by June 2015.

The goal of Human Resource Management is to strategically manage the Municipal Human Capital of the entire organisation of uMngeni Municipality focusing on the following aspects:-

- Contributing towards the process of restructuring the Organization in terms of the needs and challenges of uMngeni Municipality within its changing Integrated Development Plan.
- Recruitment and Selection of staff, and retaining the existing staff.
- Human Resources Development which impacts on Quality Service Delivery and Integrated Development Planning, and the Development of a Workplace Skills Plan and implementation thereof.
- Study Assistance Programmes, and offering in-service training to aspiring trainees who have completed tertiary levels of education.
- Policy Development and Implementation
- Implementation and Monitoring Performance Management systems for improved Service Delivery.

In order to meet the statutory requirements of the MFMA in terms of ensuring that all senior management and finance staff are well equipped with finance management skills, the municipality will be sending the finance staff to a finance course. The uMngeni Municipality Study Assistance Programme sharpens skills, and increases staff capacity. To date, we have utilized the services of the following institutions:-

- University of KwaZulu Natal;

- Varsity College;
- Durban University of Technology;
- uMgungundlovu FET College and
- University of South Africa (UNISA)
- University of Pretoria

Labour Relations

The management of municipal labour relations between the employer and the employees is addressed for the purpose of providing effective and efficient services within the municipal area of jurisdiction which is governed by labour legislation e.g. labour Relations Act 66 of 1995, Basic Conditions of Employment Act 75 of 1997, Employment Equity Act 55 of 1998, skills development Act 97 of 1998, Skills Development Levies Act 9 of 1999, Occupational Health and Safety Act 85 of 1993 and Compensation for Occupational Injuries and Diseases Act 130 of 1993.

One of the key functions of the Labour Relations Section is to conduct induction programmes to new and old employees within the municipality. The relationship between the employer and the employees is based on the terms and conditions of employment contract. It is important that employees are also made aware of the provisions of Health and Safety related legislations.

Staff Induction

Induction is an important tool used in a planned way to assist new employees to adapt to their job, their fellow employees and the organisation as a whole. It also helps them to be productive, and feel welcomed. Induction training programmes are rendered to all newly employed and old employees with regard to the municipality's systems and procedures and the code of conduct for the staff.

This also encompasses compliance of staff with the Bargaining Council's Collective Agreement and other applicable labour legislation e.g. Disciplinary Code and Grievance Procedure Collective Agreement and Minimum Essential Services Agreement which ensures that a certain number of employees will provide services to our community during the strike in order to protect the lives of the people.

Labour Policy Development

A Recruitment and Selection Policy has been evolved which is in line with Employment Equity and which ensures that the imbalances of the past are addressed. This has been done through identifying barriers and under representation of previously disadvantaged group to all occupational categories and levels thereby promoting equal opportunities and elimination of unfair discrimination, and progressively reducing disproportionate income differentials, as well as to achieve a diverse workforce broadly representative of the people. Other policies developed include an Abscondment Policy which is a useful tool in managing and controlling absenteeism, and the Succession Planning and Career Pathing Policy which will ensure the continuity of suitably qualified staff in key posts for

the future. Career paths for individual staff members are developed to assist them in their career advancement, creating more enthusiasm and productivity in their jobs. This will be utilised to achieve both the departmental and organisational goals.

3.2.6 Information Communication Technology

Recently the Auditor General and the State Security Agency have taken a serious approach in ensuring that Government ICT assets are not only protected but that the infrastructure is stable and compliant to both national and international standards.

Following the 2013/2014 Audit Findings of the Municipal ICT Network the following remedies have been applied;

- The Municipality has upgraded its internet line to a 2mb line and has deployed an internet security firewall device
- The Municipality now houses its own exchange email server resulting in improved email communication speeds and security. An uMngeni domain has also been deployed for the central administration of networked computers.
- All municipal desktops are now protected with a centrally administered Antivirus solution which is updated on a regular basis.
- In its efforts of optimising the use of its limited resources, the network comprises of a Virtual Server environment wherein multiple servers are deployed including a file server for securing user data.
- The ICT Risk Register, Master Systems Plan, Disaster Recovery Plan, Business continuity Plan and ICT Governance Framework have been developed.
- The Compliant Server Room Building Project is currently in progress.
- The responsibilities of the Security Officer has been assigned to the Systems Administrator whilst the process of appointing a security officer (structure review) is underway.

The above remedies mark a firm foundation towards a fully compliant, secure, stable and reliable ICT infrastructure for uMngeni Municipality. The roadmap for realising the vision of the municipality's Information and communication Technology has been laid out in the five (5) year ICT Strategy and the master systems plan which is currently being implemented.

3.3 Municipal Transformation and Organisational Development: SWOT Analysis

Table 20

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Qualified staff in critical positions within the municipality ▪ There are established departments that deal with all municipal functions ▪ Availability of funds from LG SETA for training of municipal staff ▪ The municipal policies and procedures are in place albeit some of them outdated 	<ul style="list-style-type: none"> ▪ Lack of inter-departmental coordination in the development of the IDP. ▪ Lack of funding to fill vacancies within the Technical Services Department which is a driver for service delivery. ▪ Lack of the overall implementation of the Human Resources Policy.

<ul style="list-style-type: none"> ▪ There is an existing organisational structure that responds to its strategic requirements. ▪ The Human Resources Development Policy is in place to enhance the municipal skills capacity. ▪ Frequently held MANCO, Portfolio, EXCO and Full Council meetings on a monthly basis. ▪ The Master Systems Plan has been adopted. ▪ The municipality has a functional Shared Services model. ▪ There is an Acting Accounting Officer 	<ul style="list-style-type: none"> ▪ Vacant critical positions (\$57) could hamper the municipality in achieving its long term goals and objectives. ▪ Lack of sufficient women and people with disabilities at management level. ▪ Lack of human resource capital ▪ Lack of office space ▪ Lack of a Human Resources Strategy ▪ Lack of boosting staff morale ▪ Lack of synergic approach to offer services as a catalyst for change management ▪ Lack of an Accounting Officer
OPPORTUNITIES	THREAT
<ul style="list-style-type: none"> ▪ Branding and marketing of the municipality through tourism ▪ Usage of ICT to boost local economy ▪ Usage of ICT to automate and enhance internal processes ▪ Usage of ICT to accelerate service delivery ▪ Improve citizens life by implementing e-governance ▪ Usage of ICT to enhance revenue collection ▪ Training and development if entire municipal personnel ▪ Lack of funds to implement the ICT Master Systems Plan. ▪ The vacant critical positions could lead to the non- functionality of the departments concerned. 	<ul style="list-style-type: none"> ▪ High staff turnover ▪ Strikes ▪ Worsening staff morale ▪ Implementation of the Human Resources Policy could strengthen the skills capacity and speedily implementation of projects within the municipality.

4. SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS

4.1 Water and Sanitation

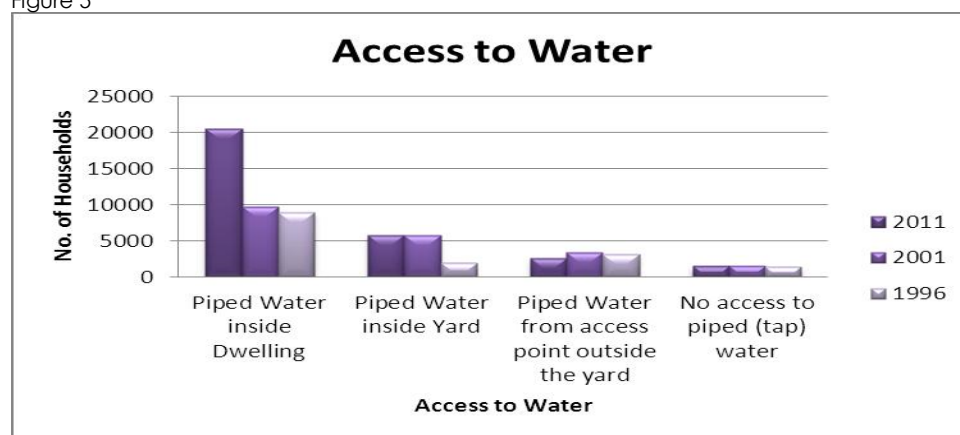
The uMgungundlovu DM is now the Water Services Authority responsible for the provision of potable water and sanitation. The uMngeni LM was previously responsible for this mandate but it was later transferred to the district municipality.

Water

According to Census 2011 stats, the municipality has made significant strides since 1996 in ensuring that our communities have good access to potable water. As can be seen from Figure 4 below, there has been a substantial increase in the number of households with access to piped water inside dwelling and piped water inside yard respectively. There are less households accessing water from a point outside the yard which would explain the increase in piped water inside dwelling. The significant increase in piped water inside dwelling can also be attributed to the increase in the number of dwellings that have been constructed in the municipality in that time. These houses include those

that have been state funded and the private residential sector which is booming in the area with the construction of residential estate.

Figure 5



It is however still a concern that about 5% of households have no access to either piped water or have inadequate water supply. The communities that are falling short in having water supply are listed in Table 19 below. The communities identified are either located in rural areas or tribal areas whilst others are informal settlements.

Table 21

COMMUNITIES WITHOUT OR LARGELY WITHOUT A WATER SUPPLY		
WARD	AREA	NO. OF HOUSEHOLDS
1	Shiyabazali	191
5	Triandra	37
8	Mashingeni	147
9	Enguga	80
8 and 9	KwaChief	333
12	Thokoza	53
	Total	841
COMMUNITIES WITH AN INADEQUATE WATER SUPPLY WHICH REQUIRES EXPANSION OR UPGRADE		
WARD	AREA	NO. OF HOUSEHOLDS
4	Lutchmans Farm	83
9	KwaHaza	644
	Total	727
	Overall Total	1568

Sanitation

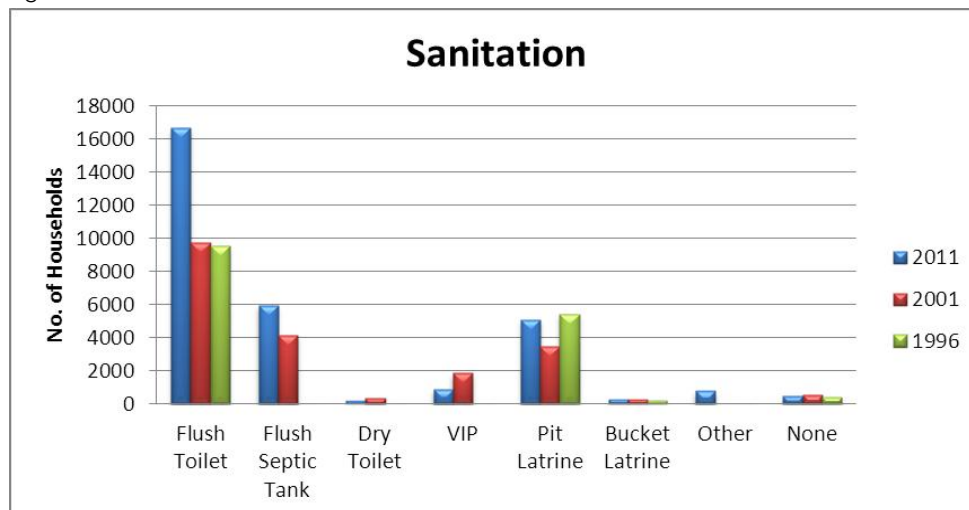
Similarly with the provision of water, the municipality has made significant inroads in the provision of suitable sanitation facilities for the different communities. As can be seen from Figure 2 below, the common type of sanitation methods used in the municipality is flush toilets, flush septic tank and pit latrines.

There has been a 58% increase in the number of households with access to flush toilets compared to 1996 and 2001 respectively. The flush septic tank has seen a 69% increase whilst there has been a 67% increase in the use of pit latrines in the same period.

The increase in flush toilets and flush septic tank can be attributed to the number of residential developments (public & private) that have taken place in the municipality in

the past 10 years. There was a decrease in pit latrines when comparing Census 96 & 2001 whilst there has been a significant increase of 67% since the latter year. Other forms of sanitation have decrease or remained constant since 2001 whilst there has been other forms introduced.

Figure 6



The 2010 District Water Plan provides the information on Communities without or largely without sanitation, and those with an inadequate sanitation which requires expansion or upgrade. These have been sorted according to Wards and are set out in Table 20 below. Most of the communities identified below also require water supply and it is encouraging that the district has plans in place to address these backlogs. The current backlog when one considers the total number of households is approximately 13% of the municipal area.

Table 22

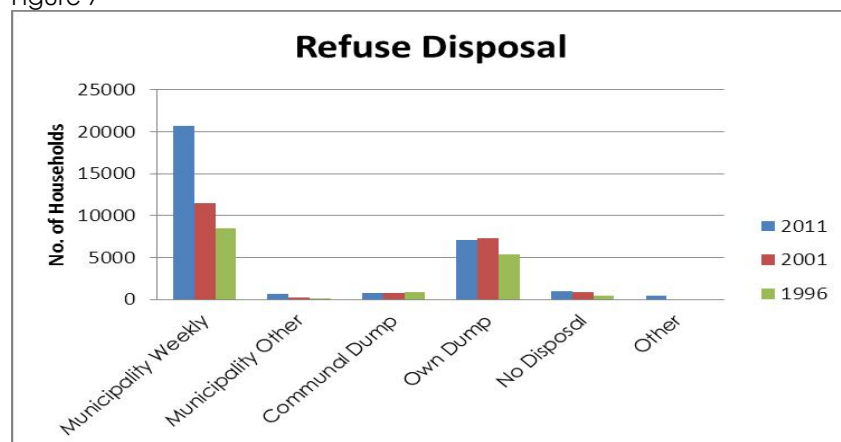
COMMUNITIES WITHOUT OR LARGELY WITHOUT A SANITATION		
WARD	AREA	NO. OF HOUSEHOLDS
1	Shiyabazali	191
4	Lutchmans Farm	83
5	Triandra	37
8	Mashingeni	147
9	Enguga	80
8 and 9	KwaChief	333
9	KwaHaza	644
	Total	1515
COMMUNITIES WITH AN INADEQUATE SANITATION WHICH REQUIRES EXPANSION OR UPGRADE		
WARD	AREA	NO. OF HOUSEHOLDS
3	Zenzani	90
4	Lidgetton	626
7	Shayansimbi	109
9	Lions River	204
	Total	1029
	Overall Total	2544

4.2 Solid Waste Management

Refuse Removal

The municipal Solid Waste removal covers 70 % of the households in the Municipal area as of 2011, up from 56% in 2001. Due to increased capacity within the municipality since 2001, the collection rate on a weekly basis has increased by at least 50% whilst the number of households using communal dumps has remained relatively constant since 2001. The backlog in terms of households without access to municipal waste removal is approximately 30%. Refer to Figure 6 below.

Figure 7



Refuse Removal per Ward

The urban and peri-urban areas have the highest collection rate of 75% to 99% whilst the more rural areas have a rate of 34% to 38% respectively. The areas with the highest collection rate are located in ward 10, 11, 12 and 2. These areas have the highest densities and cover areas such as Mpophomeni, Hilton and Howick whilst the rural component has a lower rate due to the scattered settlement patterns.

Landfill Sites

The uMgungundlovu DM is responsible for all infrastructure related to landfill sites and the local municipality is responsible for the running and maintenance thereof. There are currently two licensed landfill sites within the jurisdiction of uMngeni Municipality and have been listed below. The municipality does also have a recycling centre situated in Howick and there are ongoing plans to have other centres within the municipality.

Table 23

LANDFILL SITES		
Ward	Name	Status
4	Curry's Post Landfill Site	Registered but requires new license
6	Hilton Landfill	Closed
6	The Knoll Garden Refuse Site	Awaiting ROD

4.3 Transportation Infrastructure

Transportation infrastructure has the potential to not only bridge the geographical divide but to also provide communities with access to better socio-economic opportunities. It is for this reason that an analysis of all possible transportation infrastructure that exists within the municipality is examined. The roads have been assessed in the context of their spatial network, road classification and road surface. The public transport infrastructure has also been assessed in order to obtain an understanding of our future needs.

Road Network

The road networks within uMngeni Municipality reflect a link of the district and provincial (R103) roads with the National road (N3) which links the municipality with other local municipalities in the uMgungundlovu DM. The road network allows for easy access by the municipality to the different communities for service delivery purposes. Map 8 of Annexure A indicates the transport routes within the municipality.

Railway Line

There is one railway line that traverses the municipal area and has a number of stations which are in the order of 17 in all. These stations still have buildings but are currently not being utilised. These were previously used as station points for the delivery of goods within the municipality. The railway line provides an opportunity as an important economic route as the economy of the municipality expands. With the possibilities of the uMgungundlovu DM envisaged to obtain a metro status, the railway line could in future be utilised as a commodity or commuter transport route linking the district to other important economic nodes in the region.

Airfields

There are currently 4 airfields that can be found within uMngeni LM of which is a public landing strip (Mpophomeni) and the other 3 are privately owned. These play a strategic role in the agricultural sector and for emergency purposes in case of disasters that may occur in the municipal area.

Taxi Ranks

There are a total of 5 public transport facilities that are within the Umngeni LM with 5 taxi ranks located in the different areas of the municipality. Only 4 of the 5 taxi ranks are currently operational with the other one having been completed a number of years ago but due to dispute between the different taxi associations, has been left unused. This has resulted in a number of criminal activities being reported within the rank. There is also a number of shelters and pick up areas within the different wards. Some of these will need to be formalized in order to ensure safety of the communities. Map 9 of Annexure A indicates the location of Taxi ranks and Pickup Points within the municipality.

4.4 Energy

Fuel for Lighting

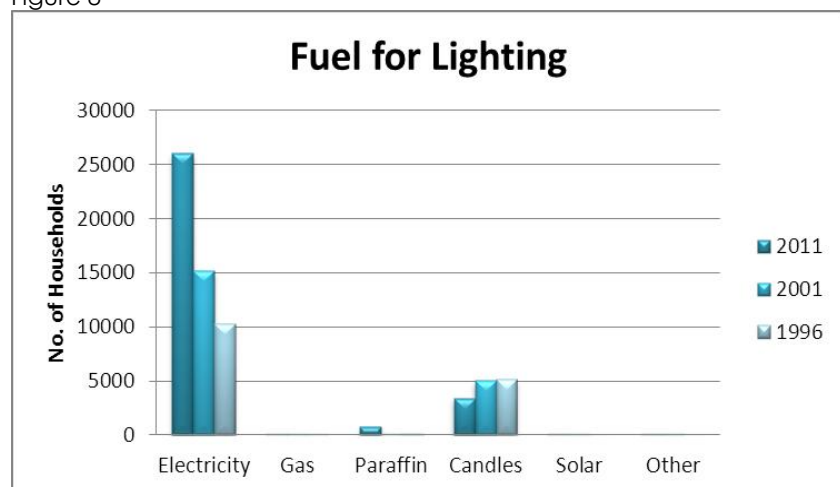
Apart from its social benefits, electricity is also a driving factor in the economy. Schedule 4B of the Constitution lists electricity and gas reticulation as a local government responsibility and as a consequence also plays an important revenue source for local government.

Electricity is provided for by uMngeni Municipality in the Howick area whilst uMsunduzi LM provides for the Hilton area. The rest of the municipality is serviced directly by Eskom. The Hilton area is provided for by another municipality based on the fact that the available electricity grid falls within the uMsunduzi Municipality. The uMsunduzi LM is currently undertaking a project to change the conversional electricity to pre-pay in the Hilton area.

The majority of households in the municipality have electricity for lighting with a 58% increase from 2001. There has been a significant increase in households using paraffin whilst there has been a decrease in households using other forms of lighting. The majority of formal structures are supplied with electricity for lighting. The use of candles and paraffin is within areas where there are service backlogs. Rural communities experience electricity backlogs due to tenure rights where land is vested in someone else name. This makes it difficult for Eskom to supply electricity to these communities if the application for electricity is not made by the land owner.

Overall, households without access to electricity in 2001 were 26 % and the latest 2011 stats indicate a percentage backlog of 15%.

Figure 8



Bulk Electricity Infrastructure

The current reticulation network in uMngeni Municipality as indicated in Map 10 of Annexure A shows the spatial location of the bulk electricity infrastructure in the different

areas of the municipality. The majority of this bulk electricity infrastructure is owned by Eskom with the rest by the municipality.

There are 19 sub stations that supply electricity to the various areas of the municipality which cover the urban and rural components. The majority of the urban areas are supplied from the sub-stations located in those areas. The rural or farm areas get supply from the 275kv and 132kv lines spread throughout the municipality. The bulk electricity infrastructure which supplies the Hilton area as mentioned earlier in the document falls within uMsunduzi LM.

4.5 Community Facilities

Sustainable human settlements cannot be achieved without adequate social facilities that are differentiated according to varying development densities, community size, mobility levels and socio-economic variation. The availability and accessibility of community facilities per ward have been analysed utilising the available GIS data but more importantly using the Planning Norms and Standards.

Ward Community Facilities

Sustainable human settlements cannot be achieved without adequate social facilities that are differentiated according to varying development densities, community size, mobility levels and socio-economic variation. Table 22 below indicates the available community facilities per ward in the municipality. The majority of facilities required by communities are mostly available in wards that could be defined as urban in nature where population densities are higher. The wards with the least facilities are located in rural areas of the municipality.

Table 24

WARD	FACILITIES												TOTAL
	1	2	3	4	5	6	7	8	9	10	11	12	
Crèche	1	4	0	3	4	3	4	4	0	3	0	5	31
Cemeteries	1	1	0	0	0	1	0	1	1	0	0	1	6
Education	1	2	14	7	4	8	3	3	5	1	4	4	56
Fire Station	0	1	0	0	0	0	0	0	0	0	0	0	1
Hall	1	0	1	1	0	1	2	0	1	1	0	0	9
Health	2	2	1	0	0	0	0	0	0	1	0	0	6
Library	1	0	1	0	1	1	0	0	0	1	0	0	5
Magistrate Court	0	1	0	0	0	0	0	0	3	0	0	0	1
Monument /Museum	1	1	3	0	4	0	1	0	0	0	0	0	13
Pension	0	1	1	0	0	0	1	0	0	1	1	0	4
Police Station	0	1	1	0	0	0	1	0	0	0	0	0	4
Sewerage Works	1	0	0	0	0	0	0	1	1	0	0	0	2
Sport Facility	4	2	1	0	0	0	2	3	0	1	0	1	15
Theatre	0	0	0	0	0	0	0	0	0	1	0	0	1
Tourist*	0	0	0	0	1(1)	1(3)	1(2)	0	1(4)	0	0	0	4

Water Works	0	0	0	1	1	1	3	0	0	0	0	1	7
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*1. Howick Falls, 2. Worlds View Viewing Site, 3. Karkloof Falls Viewing Site; 4. Mandela Capture Site

4.6 Human Settlement

Household type of main dwelling

Based on the Census information contained in Table 23 below there is an improved formal housing situation between 1996 and 2011 with an increase of 9% in the same period. Informal dwelling numbers remain a challenge with a decrease between 1996 and 2001 but then a slight increase of 1% by 2011. This can be attributed to the increase in the informal settlements within ward 1 of the municipality. The majority of formal households are located within the urban and peri-urban areas whilst the more traditional households can be found in the rural areas of the municipality. The housing backlog is currently at about 10% when taking the informal and undefined types of households into account.

Table 25

HOUSEHOLDS	2011		2001		1996	
	No.	%	No.	%	No.	%
Formal	26040	85	16321	80	11662	76
Informal	2722	9	1660	8	2267	15
Traditional	1347	5	2352	11	1430	9
Other	380	1	153	1	50	0
Total	30489	100	20486	100	15409	100

Planned Public Housing Projects

Housing is funded by the Provincial Department of Human Settlements but housing projects are coordinated by uMngeni Municipality. This coordination occurs through the THINK Tank where the municipality and other key stakeholders engage on housing issues. The projects presently underway or planned are summarized in Table 24 below.

Table 26

WARD	PROJECT
3	Gowrie
3	Hillside
4	Lutchmans Farm
6	St Josephs
7	Cedara
7	Khayelisha
9	KwaNxamalala
9	Lions River Phase 2
7	Tumbleweed

4.7 Telecommunication

In this information age, technology represents an opportunity for increasing communication between government and communities. Internet-based

communication methods for example, including email, websites, and newer social networking technologies such as blogs, present new opportunities for local government and community communication. These technologies may reduce scheduling barriers that pose challenges to traditional forms of public participation and can convey information to multiple households at once, and can efficiently share and archive information about the progress of the municipality. The issues covered below in relation to telecommunications relate to information available from Stats SA with regards to accessibility of cellphones, computers etc. The availability of bulk telecommunications infrastructure to support these facets has also been assessed.

Households with access to telecommunications

There has been a significant increase in the number of households with access to telecommunications in the municipality more notably the use of cellphones. In 2001 32% of households had access to cellphones whilst by 2011 the figure had increased to 88% of the total number of households. The annual increase of 6% since 2001 must be balanced with the necessary provision of the bulk network. Only 27% of households have access to computers whilst 39% have access to the internet. The backlog of over 70% in households with access to computers poses a challenge for not only the municipality but other state institutions. Lack of access can be attributed to a lot of factors such as affordability or computer literacy. With a very youthful population brings about an opportunity to bridge the digital divide within the municipality in collaboration with other relevant state institutions such as the Department of Education and Tertiary Institutions.

Table 27

LANDLINE		CELLPHONE		COMPUTERS		INTERNET
2001	2011	2001	2011	2001	2011	2011
7243	8157	6594	26899	3148	8282	12127

4.8 Service Delivery and Infrastructure: SWOT Analysis

Table 28

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> High levels of improvement in the delivery of basic services. The municipality has sufficient water resources to support current and future demand. Expanded Public Works Programme staff is in place to assist the municipality in achieving its service delivery mandate. The municipality has satisfactory social services to support the municipal population. Good understanding and knowledge of the area. Good understanding of the needs of the community. Good intellectual value related to infrastructure needs. Innovation related to unique project firsts; such as, electrification in Eskom 	<ul style="list-style-type: none"> Lack of sufficient socio-economic infrastructure to support demand for current and future development. Low levels of telecommunication infrastructure to bridge the digital divide. Lack of utilisation of IGR structures result in uncoordinated planning. Poor road access in some of the wards. The lack of prompt maintenance of municipal services has resulted in frustration from the public. The supply of electricity to Hilton by uMsunduzi Municipality result in loss of possible revenue. The low rate base result in the municipality being unable to have sufficient funding to meet some of the community needs. The dispersed rural settlements make it

<p>license area, electrification of farm communities, and partnership with Hiltonian society housing project, KwaNxamalala tribal authority housing and water conservation, and construction of classrooms. Greenest town waste minimization.</p> <ul style="list-style-type: none"> ▪ Facilitation of construction of school. ▪ Development of electricity smart metering specifications. ▪ Early implementation of EPWP principles for employment of local labour on projects. ▪ Compilation of business plans resulting in grant funding, lotto, capture site, Main Street, etc. ▪ Implementation of challenging housing projects. ▪ Management of land fill site. ▪ Specialised technology for pothole repairs. ▪ Staff management and leadership in some sections. ▪ Broad networks and contacts with spheres of government and private sector. ▪ Vast experience in local government ▪ Adequate buildings for operations 	<p>difficult for the municipality to provide basic services.</p> <ul style="list-style-type: none"> ▪ Mpophomeni Works needs to be commissioned. ▪ Lack of access to social facilities in some wards. ▪ High level of vacancies over 50% ▪ Inadequate technical support ▪ Inadequate supervision at foreman level ▪ Inadequate supervision by managers i.e. hands on ▪ Poor work ethic ▪ Poor discipline ▪ Disrespect ▪ Supervision at supervisor level is poor ▪ Lack of responsibility ▪ Lack of EAP support ▪ Lack of cash backed funding of budget provision. ▪ Aging vehicles, plant and equipment. ▪ Deterioration of infrastructure due to inadequate resources to maintain at acceptable standards ▪ Turnaround time SCM processes ▪ Maintenance is reactionary due to lack of resources "putting out fires" inadequate planned maintenance. ▪ MIG reporting and contract management ▪ Time dominated by too many meetings ▪ Electrical engineering as influenced by Eskom's announcement to withdraw from SLA
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ The high demand for development within the municipality provides an opportunity to increase revenue. ▪ The proposed conversion to smart metering electricity will curb electricity theft and losses. ▪ EPWP grant funding to support maintenance services ▪ Food for waste programme to reduce waste ▪ Business plan applications for funding ▪ Fill vacancies to move to a proactive planned maintenance environment ▪ Withdrawal of Eskom from SLA can opportunity to improve service delivery efficiency. ▪ Grader, TLB, trucks and water cart opportunity to grade gravel roads to planned programme. ▪ Annual municipal R5m planned capital maintenance budget for resurfacing of roads to address maintenance backlogs. ▪ Additional resources will improve community perceptions and increase 	<ul style="list-style-type: none"> ▪ Electricity theft could have a negative impact on the municipal revenue. ▪ Some landfill sites have reached capacity which could cause environmental hazards. ▪ Slow implementation of housing projects could cause community unrest. ▪ High levels of demand for development within the municipality could result in the deterioration of infrastructure. ▪ Lack of co-ordination between the district and the municipality could result in delay in implementation of projects. ▪ Total collapse of infrastructure due to years of inadequate infrastructure maintenance ▪ Lack of staff results in demoralised staff ▪ Inadequate staff at higher levels results in errors and compromises compliance ▪ Slow SCM process result in poor service delivery ▪ SDBIP's require more technical

visibility.	<p>alignment to make them more user friendly, this was done years ago, however they were considered to technical and detailed</p> <ul style="list-style-type: none"> ▪ Service delivery compromised due to over burdening individuals due to lack of skill of others 80/20 theory ▪ Delayed employment of EPWP will compromise grass cutting of verges ▪ Service delivery protests.
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5. LOCAL ECONOMIC & SOCIAL DEVELOPMENT ANALYSIS

5.1 Local Economic Development Analysis

5.1.1 Municipal Comparative and Competitive Advantage

For purposes of this section Comparative advantage refers to the municipality's ability to provide a particular service at a better or opportune cost. Competitive advantage will in this instance refer to the municipality's advantages which allows it to generate greater economic benefit or potential.

Comparative Advantage

The Mandela Capture Site provides a significant tourism opportunity for the municipality not only at a regional or national level but internationally. The location of the uKhahlamba World Heritage Site on the borders of the municipality also provides a very strong tourism character which has been well established based on the number of tourism facilities. This tourism character has placed the municipality as a leader within the Midlands Meander which provides economic growth and employment opportunities. The municipality has a strong Secondary and Tertiary Sectors. The municipality has the 2nd highest Regional GDP in the uMgungundlovu District Municipality which gives an indication of growth levels.

Competitive Advantage

The proximity of the municipality within the N3 provides for easy access for businesses to this national corridor which is linked to major national economic hubs like Joburg and Durban. The availability of economic infrastructure to support and maintain current businesses is in place albeit requiring extensive revamping in some cases. The municipality is situated less than 30km from the Capital City of KwaZulu Natal which allows for access to a variety of economic activities and trade. The municipality has one of the highest Capital Expenditure as a proportion of nominal GDP within the district which translate into the municipality reinvesting back money into the infrastructure required to sustain the economy. The municipality has one of the highest literacy rate in district which affords skilled labour for current and future investments.

5.1.2 Main Economic Contributors

Sector Contribution towards GDP-R, 2001 and 2012

This section shows the Gross Domestic Product (GDP) percentage contribution of the municipality in the context of KZN and that of the uMgungundlovu District Municipality.

Table 29 - Source: Global Insight, 2012

Sector	KZN (%)		UMDM (%)		uMngeni LM (%)	
	2001	2012	2001	2012	2001	2012
Primary	7.1	5.6	12.9	11.2	17.6	14.1
Agriculture	5.0	4.4	12.2	11.0	17.2	13.9
Mining	2.1	1.2	0.7	0.3	0.4	0.1
Secondary	44.7	27.1	33.0	18.0	33.4	20.6
Manufacturing	25.0	22.2	15.2	13.1	17.1	15.3
Electricity	2.6	1.9	3.1	2.2	3.2	2.3
Construction	2.9	3.0	2.6	2.7	2.8	3.1
Trade	14.3	67.3	12.1	70.7	10.2	65.3
Tertiary	48.2	14.8	54.1	12.2	49.0	11.0
Transport	11.9	13.5	9.9	11.1	7.4	9.3
Finance	16.2	20.1	15.4	19.4	13.7	20.9
Community Services	20.1	18.9	28.8	28.1	27.8	24.0

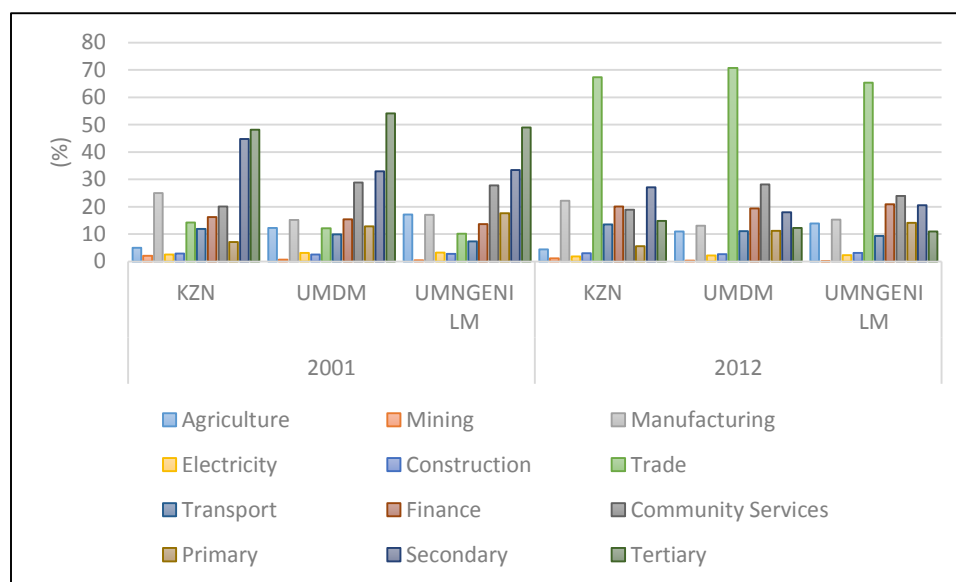


Figure 9

According to the available data, the Primary Sector within the municipality is the second highest contributor to the regional GDP with 14.1% of the gross domestic products lower by 3.5% compared to 2001. Agriculture as the main economic sector within the Primary Sector in the municipality has also seen a decline in the sector as a contribution in GDP. The decline in the Agricultural sector is higher than that of the province and the district. The secondary sector was the highest contributor to the regional GDP lower from 33.4% in 2001 to 20.6% in 2012. Trade is the largest contributor in the secondary sector followed by manufacturing. The tertiary sector contribute 11% to the regional GDP with Community Services and Finance being the major contributors in the sector.

5.1.3 Employment and Income Levels

Sector Contribution towards Regional Employment

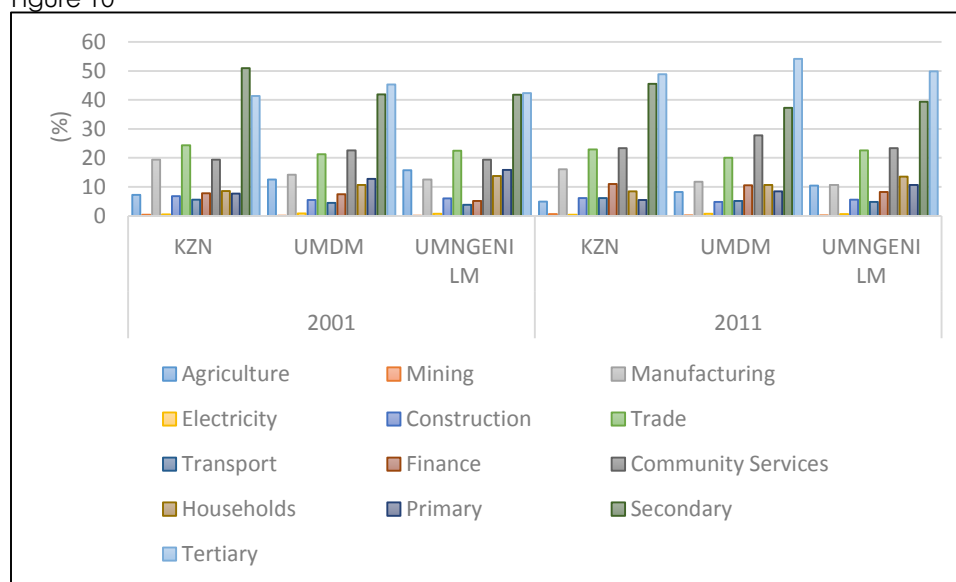
Table 28 below indicates the employment levels of the municipality in comparison to the province and the district municipality in the different economic sectors of the economy.

Table 30

	KZN (%)		UMDM (%)		uMngeni LM (%)	
Sector	2001	2011	2001	2011	2001	2011
Primary	7.7	5.5	12.8	8.5	15.9	10.7
Agriculture	7.3	4.9	12.6	8.3	15.8	10.5
Mining	0.4	0.6	0.1	0.2	0.1	0.2
Secondary	50.9	45.5	41.9	37.3	41.8	39.4
Manufacturing	19.4	16.1	14.2	11.8	12.6	10.7
Electricity	0.5	0.4	0.8	0.7	0.7	0.6
Construction	6.8	6.1	5.5	4.8	6.0	5.6
Trade	24.4	22.9	21.3	20.0	22.5	22.6
Tertiary	41.4	48.9	45.3	54.2	42.3	49.8
Transport	5.6	6.1	4.5	5.1	3.8	4.8
Finance	7.8	11.0	7.5	10.6	5.2	8.2
Community Services	19.4	23.4	22.6	27.8	19.4	23.4
Households	8.6	8.5	10.7	10.7	13.8	13.5

Source: Global Insight, 2012

Figure 10



The Primary Sector with Agriculture as the main economic sector contribute the least in terms of employment with 10.7% in 2011 down from 15.7% in 2001. The contribution is fairly higher than that of the province and the district respectively. The Secondary Sector contribute the second highest percentage of employment opportunities within the municipality with over 39.4% in 2011. Within the Secondary Sector, Trade contribute 22.6% and Manufacturing 10.7% in terms of employment opportunities. The employment within this sector is slightly higher than the district but lower than the provincial average. The

Tertiary Sector is the highest employment generator with 49.8% in 2011 compared to 42.3% in 2001. The sector has been growing both provincial and within the district in terms of employment generation boosted by the growth in the Community Services Sector.

Local Employment Levels

Table 29 below indicates an employment increase of 4% from 2001 to 2011 which amounts to less than a 0.5% annual increase. The current unemployment rate as of 2011 is approximately 24% which is significantly lower than in 2001. The unemployed labour force has decrease by 7% since 2001. The increase in the municipal population has also increased the number of the total population working age.

Table 31

LABOUR FORCE	2001	%	2011	%
Employed	22194	45	30844	49
Unemployed	11536	23	9711	16
Not economically active	15834	32	18982	30
Discouraged work seekers	-	-	2930	5
Unemployment rate		34		24
Total population of working age	49564	100	62467	100

Source: Global Insight, 2012

5.1.4 SMMEs

Wholesale, Retail, Catering and Accommodation is the main employment category in uMngeni. The employment in this sector has shown an increasing trend. The fostering of companies that will feed into this market is essential. With the creation of the Midlands Development Agency it is hoped that opportunities will be created for SMME's.

The issuing of business licenses and assistance with registering of businesses has been an important service provided by the municipality. The need to set up an Incubation facility for SMME's has been identified as one of the long term project. The following programmes or projects are currently being planned or implemented in the municipality:-

- Incubation Facility – site has been identified and plans have been developed
- Trade Shows – Exhibition of SMMEs
- Business Seminar – SMMEs are trained on business principles and relevant business legislations – funding required
- EXPO – funding required
- Business Linkages – SMMEs working hand in hand with Corporate to further expand their businesses interest. ABSA, Business Support Centre, UMDM and SEDA have formed partnership with the municipality for this programme. Impumelelo Beads and Jewellery Workers is a success story as they have been linked with Hulamin
- Company Registration – 43 companies have been registered from 2012 till to date

- Business Advise – This is on-going programme that deals with capacitating businesses in their relevant sectors
- Co-operatives Programmes – Training of co-operatives in collaboration with DEDT and SEDA
- Technical Skills Training – DEDT sponsors SMME individuals interested in becoming artisans
- Business Management
- Computer Skills

5.1.5 Agriculture

Agriculture is the largest employer and the dominant in terms of employment in the municipality, but reliance on this sector has decreased in recent years. African households have the largest share (89.95%) of employment in the agricultural sector. The main enterprises for which the municipality is suitable include: maize, soya beans, dry beans, potatoes and lupins as annual field crops; sugar cane (in the lower, warmer parts of the local municipality); timber production; vegetables irrigation (with cabbage, tomatoes and carrots as the main crops); orchard crops (notably avocado); pasture and fodder crops. In addition, the municipality boast intensive livestock enterprises such as poultry, pigs and dairy. Significantly agribusinesses in the uMngeni Local Municipality, particularly in terms of livestock, are characterised by a high level of capital intensive operations. Therefore it could be said that the municipality is an integral part of the wider South African livestock economy.

5.1.6 Tourism

The local municipality is located along major tourism routes in terms of the Drakensberg and the coast. The Local uMngeni Municipality is undoubtedly the KZN's tourist centres and a getaway point to the major tourist's attractions offering the best tourism and hospitality facilities in the province.

The uMngeni Municipality management team has expressed a deep commitment to promoting the tourism industry. The municipality has a great variety of natural tourism assets and accommodation establishments (such as hotels, bed & breakfasts and guest-houses). The district also has a missionary tourism, agri-tourism, cultural tourism and eco-tourism, and adventure tourism. Indeed, it could be said that the uMngeni Municipality is one of the key destinations for tourism in KZN although the full potential of this industry in the municipality is underdeveloped. Collectively tourism as an economic sector is one of the major employers in the Local uMngeni Municipality and plays a vital role in the local economy.

Nationally, KZN stands out as a significant contributor to South Africa's tourism activities. The estimated contribution of tourism to KZN's GDP are notably higher than the estimates of its contribution to the national economy as a whole with the KZN Department of Economic Development and Tourism (DEDT), quoting the World Travel and Tourism Council, estimated of 3.9 percent of the GDP for South Africa. In 2005, the South African Tourism (SAT) Survey of urban adults noted that there had been 11.6 million trips to and

within KZN (quoted in Tourism KwaZulu-Natal Tourism Survey 2009). About 1.2 million foreign and 11 million domestic tourists travelled to and within KZN annually, and the uMngeni Municipality is one of the key destinations of these visitors. The Midlands Meander is primarily based in uMngeni. The list below indicates some areas within the municipality that are tourist attractions or have potential to play a pivotal role in the tourism industry.

- Howick Falls
- Midmar Dam
- The Karkloof
- Worlds View
- The Zulu Mpophomeni Tourism Experience
- Mpophomeni Tourism Gateway Complex
- The Nelson Mandela Capture Site

5.1.7 Manufacturing (Industrial)

In uMgungundlovu Pietermaritzburg serves as the main regional and sub-regional manufacturing centre and plays an important role in the manufacturing economies of the surrounding small towns, including the uMngeni Municipality. The uMngeni Municipality can be categorised as a small urban town with limited manufacturing consisting of Howick (with its agricultural-orientated manufacturing base along the Lion River Spine). Howick (which includes Mpophomeni, Merrivale, Dargle, Lions River and Lidgetton) dominates the manufacturing sector in the local municipality. Manufacturing in uMngeni Local Municipality has declined in recent years. This is evident if the rubber industry is considered. In 2004, the primary output of uMngeni Local Municipality's rubber industry was tyres (which contributed to approximately 46% of national supply of which 60% serviced local markets and remained was targeted for export). However, in recent years rubber production has all but ceased due to the closure of the Dunlop rubber factory. This is part of a general decline in manufacturing in the uMngeni Local Municipality since 1982. The closure of Dunlop rubber factory in recent years and global financial crisis has only deepened this decline. Industries of current significance in the local municipality include: BTR Sarmcol, various sawmills and pallet-making factories, the biodiesel and fuel replacement industries.

Plantation forestry is a major land use in the municipal area with proportionate provision of job opportunities. Agriculture and wood products feature strongly in the medium-sized manufacturing sectors, and dominate small industry activities in uMngeni Local Municipality. The plantation areas within the greater forestry economy of the province and the municipal area form part of the midlands forestry belt. The major wood product deriving from these plantations is pulpwood (with only the Singisi Forest Products and isolated farmers producing pine saw-timber). In uMngeni Local Municipality, the major timber producers are the following: Sappi; Mondi; Singisi Forest Products; NCT; Hilton College Estate; and Garlick Timber Farm. More than half of the area under timber production in the municipality is owned by Sappi, Mondi, Singisi Forest Products and NCT which collectively own 23,112 hectares of timber producing land. Of these the biggest producer is Sappi which owns 13,125 hectares.

5.1.8 Services

Community Social and Personal Services was the second highest employment sector in uMngeni accounting for 19% of those employed. While employment has been steady in this Sector, it has not shown much growth potential.

5.1.9 Local Economic Development: SWOT Analysis

Table 32

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Capable staff leading ▪ 4 War room conveners within the municipality ▪ The municipality has a functional economy within the different economic sectors. ▪ The municipality has a strong tourism sector <i>albeit</i> not well documented ▪ The municipality has an established retail and community services sector to support the local population. ▪ The municipality provides training and capacity building to SMME's and Co-operatives. ▪ The municipality has an established Economic Development Unit ▪ The informal economy is regulated. 	<ul style="list-style-type: none"> ▪ No budget for special programmes ▪ Insufficient human capital (over-stretching current employees) ▪ Management vacuum ▪ Negative reputation from 'under-served groups' ▪ Lack of LED strategy ▪ The municipal LED Strategy lacks strategic direction to support current and future economic needs of the municipality. ▪ Lack of transformation in the economy for previously disadvantaged individuals. ▪ Shortage in entrepreneurial skills to grow and provide employment to the economy. ▪ Lack of infrastructure that support future economic investment opportunities. ▪ Dilapidated infrastructure in the Central Business District (CBD). ▪ Lack of sufficient skilled labour to support future investment opportunities.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ Technical support from the Premiers' office & UMDM ▪ Operation Sukuma Sakhe led by the Premiers' office ▪ Special programmes are a national initiative ▪ Business retention and expansion ▪ Partnering with Chamber of Business ▪ Attraction of foreign direct investments (i.e. aqua culture opportunity) ▪ The establishment of the UMDM Development Agency provides an opportunity to capitalize on catalytic projects. ▪ The municipality has a strong tourism sector which can help boost the economy. ▪ The municipality is strategically located along the N3. 	<ul style="list-style-type: none"> ▪ Staff turnover ▪ Socio-political instability manifested in protest marches ▪ Infrastructure backlogs ▪ Subdivision of agricultural land could result in loss of agricultural viable land and a risk to the municipal food security. ▪ Lack of capacity to Land Reform beneficiaries. ▪ Illegal trading within the CBD

5.2 Social Development Analysis

5.2.1 Broad Based Community Needs

Table 31 below outlines some of the broad based community needs which were gathered as part of previous IDP consultation processes and the 2013/2014 IDP Review public participation process. The broad based community needs in this instance refer to housing, electrification, water and sanitation and other infrastructure related issues.

WARD	COMMUNITY NEEDS
1	<ul style="list-style-type: none"> ▪ Bridge and walkway from Howick to Howick West ▪ Eradicating Shiyabazali informal settlement ▪ Resurfacing of Midmar and Valley roads
2	<ul style="list-style-type: none"> ▪ Roads maintenance in Howick central ▪ uMngeni Bridge widening ▪ Main road upgrade in Howick High and Primary schools ▪ Road surfacing and walkway on Mare street ▪ Amber Glen and Amberfield traffic circle ▪ Satelite clinic
3	<ul style="list-style-type: none"> ▪ Provision of basic services and community facilities in Senzani village ▪ Implementation of Gowrie and Hillside Housing Projects ▪ Rural roads maintenance ▪ Clinic ▪ Access roads ▪ Streetlights ▪ Cemetery and hall maintenance ▪ Bus shelters
4	<ul style="list-style-type: none"> ▪ Lutchmans housing and related service provision ▪ Lidgetton upgrade of basic services and community facilities ▪ Maintenance of rural roads ▪ Road access and water provision at Gamaletu ▪ Lidgetton transformer usage ▪ Sportsfield ▪ Improvement of bus shelters
5	<ul style="list-style-type: none"> ▪ Triandra water and sanitation provision ▪ Maintenance of rural roads ▪ Karkloof electrification
6	<ul style="list-style-type: none"> ▪ Electricity upgrade ▪ Maintenance of rural roads ▪ Provision of sanitation facilities
7	<ul style="list-style-type: none"> ▪ Implementation of the Khayelisha and Cedara housing projects and related basic services ▪ Roads maintenance ▪ Upgrade of Cedara road access

	<ul style="list-style-type: none"> ▪ Maintenance of access roads in Khanya Village ▪ Provision of sanitation facilities
8	<ul style="list-style-type: none"> ▪ Mpophomeni Sewerage Works ▪ Provision of basic services ▪ Maintenance of access roads ▪ Upgrading of access road to cemetery ▪ Maintenance of street lights
9	<ul style="list-style-type: none"> ▪ KwaNxamalala and Lions River housing project implementation (Phase 2) ▪ Maintenance of the Mpophomeni Gateway ▪ Provision basic service ▪ Upgrading of roads ▪ Maintenance of street lights ▪ Clinic
10	<ul style="list-style-type: none"> ▪ Provision and upgrade of roads ▪ Maintenance and upgrade of community facilities
11	<ul style="list-style-type: none"> ▪ Provision and upgrade of roads ▪ Upgrade of Mpophomeni police station ▪ Provision of a swimming pool ▪ Provision of a hall ▪ Closure of dump sites ▪ Provision and maintenance of community facilities
12	<ul style="list-style-type: none"> ▪ Provision and maintenance of basic services and roads in KwaMevane and Tumbleweed ▪ Maintenance and upgrading of community and recreational facilities

Table 33

5.2.2 Education

School Facilities

There are 49 schools within uMngeni LM; these include the primary, secondary, combined schools, special needs and independent schools; which are spread among different settlements within the municipality. All of the wards have access to educational facilities with access to either a primary or secondary school.

There are currently 5 libraries that are found within the municipality *albeit* one being a private library in the Nottingham area. The public does however have full access to the private library even though it is not run by the municipality.

Input from public consultation has highlighted the high pupil to teacher ratio for schools in Ward 12. It is hoped that with the construction of the Khayelisha Housing Project, the opportunity will arise for the construction of a further Primary School which could ease the burden on existing schools in Ward 12 which serve a much wider area than the ward itself. Table 34 below reflects the Department of Education 2011 information on schools within the uMngeni Municipality.

Ward	Name of School	Type of school	Pupils	Educator	Learner to Educator Ratio
1	HOWICK WEST SECONDARY	SECONDARY	626	22	28 to 1
2	HOWICK PREPARATORY	PRIMARY SCHOOL	640	33	19 to 1
2	MOUNT CARMEL CHRISTIAN	PRIMARY SCHOOL	131	5	26 to 1
3	DARGLE P	PRIMARY SCHOOL	133	4	33 to 1
3	WAMACOR P	PRIMARY SCHOOL	14	2	7 to 1
3	UNKONKA P	PRIMARY SCHOOL	22	2	11 to 1
3	SARSDEN P	PRIMARY SCHOOL	21	2	11 to 1
3	SILINDELE P (NOTTINGHAM RD)	PRIMARY SCHOOL	35	2	18 to 1
3	MICHAELHOUSE	SECONDARY SCHOOL	549	56	10 to 1
3	ASITHUTHUKE COMBINED	COMBINED SCHOOL	337	15	22 to 1
3	ISIPHETHU SEMFUNDO P	PRIMARY SCHOOL	28	2	14 to 1
3	NOTTINGHAM ROAD P	PRIMARY SCHOOL	167	9	18 to 1
3	KING'S	PRIMARY SCHOOL	70	10	7 to 1
3	ESIPHETHWINI SENDIZA P	COMBINED SCHOOL	101	4	25 to 1
4	LIONS RIVER P	PRIMARY SCHOOL	52	3	17 to 1
4	ALLERTON P	PRIMARY SCHOOL	40	2	20 to 1
4	JABULA COMBINED	COMBINED SCHOOL	532	16	33 to 1
4	CRYSTAL SPRINGS P	PRIMARY SCHOOL	269	7	35 to 1
4	INDEZI P	PRIMARY SCHOOL	55	3	18 to 1
4	CURRYS POST P	PRIMARY SCHOOL	192	5	35 to 1
4	MORTON ESTATES P	PRIMARY SCHOOL	60	2	30 to 1
5	GARTMORE P	PRIMARY SCHOOL	36	2	18 to 1
5	HAWKSTONE P	PRIMARY SCHOOL	84	3	28 to 1
5	HOWICK H	SECONDARY SCHOOL	517	33	16 to 1
5	TRIANDRA STATE AIDED	PRIMARY SCHOOL	104	3	35 to 1
5	YARROW INTERMEDIATE	PRIMARY SCHOOL	69	4	17 to 1

6	HILTON INTERMEDIATE	PRIMARY SCHOOL	88	3	29 to 1
6	HILTON COLLEGE	SECONDARY SCHOOL	549	63	8 to 1
6	LADDSWORTH P	PRIMARY SCHOOL	507	29	17 to 1
6	ST ANNE'S DIOCESAN COLLEGE	SECONDARY SCHOOL	390	54	7 to 1
6	SIBONGUMBOMVU COMBINED	COMBINED SCHOOL	507	16	32 to 1
6	DUNIMARLE P	COMBINED SCHOOL	107	4	27 to 1
6	GRACE COLLEGE (HILTON)	SECONDARY SCHOOL	250	24	10 to 1
7	COWAN HOUSE	PRIMARY SCHOOL	328	28	11 to 1
7	HILTON PP	PRIMARY SCHOOL	113	10	11 to 1
7	CEDARA P	PRIMARY SCHOOL	111	3	37 to 1
8	NHLANHLENI SP	PRIMARY SCHOOL	624	18	34 to 1
8	ISIBONGO LP	PRIMARY SCHOOL	840	25	33 to 1
9	HAZA P	PRIMARY SCHOOL	560	16	35 to 1
10	MPOPHOMENI S	SECONDARY SCHOOL	937	29	32 to 1
11	SIFISESIHLE JP	PRIMARY SCHOOL	425	10	43 to 1
11	ASIBEMUNYE H	SECONDARY SCHOOL	829	26	32 to 1
11	ZAMUTHULE P	PRIMARY SCHOOL	457	12	38 to 1
11	QHAMUKILE P	PRIMARY SCHOOL	793	19	41 to 1
11	UMTHOMBO JS	SECONDARY SCHOOL	233	9	26 to 1
12	NOGQAZA P	PRIMARY SCHOOL	887	20	44 to 1
12	INJOLOBA S	SECONDARY SCHOOL	879	26	34 to 1
12	COSMO P	PRIMARY SCHOOL	400	10	40 to 1
12	HOWICK (RANGEVIEW RD)	PRIMARY SCHOOL	1067	30	36 to 1
	TOTALS		16765	735	23 to 1

Table 34

School Accessibility

The Structure Plan argues for a sustainable approach where appropriate, accessible social facilities are provided at minimum space standards given the topography of the area. The intention was also to control costs through tight design specifications and the

multiple use of facilities. Most of the settlements in the municipality have access to the available education facilities within a radius of between 5km to 10km. All areas within the urban context have good access to these facilities as the conditions of the road infrastructure are ideal for access. Some rural communities do not have access to school facilities within a radius of either 5km or 10km. Map 11 & 12 depicts the level of accessibility to primary or secondary schools by the different settlements in the municipality.

5.2.3 Health

Health Facilities

The running of Primary Health Care Clinics was transferred to the Provincial Department of Health from 1 July 2012. Environmental Health Services has been transferred to the District as from 1 July 2012. There are 4 clinics that exist within the Municipality and 1 psychiatric hospital. Based on the planning standards for health services, 1 clinic should be provided for a population of 10 000 people and 1 hospital should be provided for a population of 50 000 people. In essence the municipality must at least have 1 hospital for Primary Health Care given the current population figure of 92710. Map 13 depicts the proximity of health facilities within a 5Km radius of settlements in the municipal area. The urban areas of the municipality have good access to health services whilst the rural areas have poor access.

5.2.4 Safety & Security

Police Station Facilities

Based on the planning standards 1 police station should be provided for every 4500 households. However it is also important to indicate that the other issues that should inform the development of new police stations should be the crime statistics for an area. There are 4 Police Stations in uMngeni LM. The uMngeni Municipality, together with the South African Police Service (SAPS) and the Community Policing Forum (CPF) and other stakeholders, has put crime prevention strategies in place. These include awareness campaigns at schools on drugs abuse, domestic abuse, etc.

Traffic Management

The Municipality's Protection Services cover vehicle licensing, learners licensing, prosecution for road traffic offences, issuing of warrants of arrest, incident and accident attendance, attendance to complaints received and resolution of other safety and security issues related to the municipality.

Fire Protection

Fire services is a district function and the municipality is well equipped to attend to issues of emergencies especially during the summer season.

5.2.5 Nation Building and Social Cohesion

In order to achieve nation building and social cohesion Sports, Arts and Culture must be put at the forefront especially with the youthful population that exist. Even though there is a department that's mandated to deal with Sports, Arts & Culture, the municipality is also actively engaged in promoting these activities with dedicated staff who attend to these matters. The events mentioned below or historical monuments ensure that the municipality is able to achieve nation building and social cohesion which is particularly important as a prime tourist destination within the Midlands Meander.

Midmar Mile – An annual swimming event that attracts swimmers from around the world. It is the largest open water event in the world.

The Mandela Capture Site Monument Statue – Mr. Nelson Mandela's long walk to freedom was interrupted for 27 years on the R103, the old main road 5km from Howick, where he was captured on his return journey to Johannesburg. This is a moment and place in the history of South Africa, which has enormous significance. The opportunity to mark this in a manner which builds on the legacy of the event, is one recognized by the uMngeni Municipality who have put in place a plan and process to do so. The purchase of the property opposite the actual capture site and the implementation of the design process to develop a multi-purpose heritage site is a commitment to realise this.

The Apartheid Museum is collaborating on establishing this site and has begun the first phase, opening the Truth cafe and the Truth Store at The Capture Site as well as an exhibition, Mandela – Comrade, Leader, Prisoner, Negotiator, and Statesman. Tours and programmes for schools and visitors interested in the history of our country are offered.

Nelson Mandela Marathon – This annual sports event is held on an annual basis and commenced in 2012 and is championed by UMDM and the municipality amongst a host of sponsors. The 42km marathon start at uMsunduzi Municipality and ends at the Mandela Capture Site mentioned above. This is in light of the fact that Nelson Mandela made his last speech at Manaye Hall in Imbali (uMsunduzi LM) in 1961 and was arrested in Howick before being incarcerated at Robben Island for 27 years. It is for this reason that his historical association with the district municipality will be coined and immortalized through the Mandela Day Marathon.

5.2.6 Community Development with particular Focus on Vulnerable Groups

5.2.6.1 Youth Development

Local Youth Office

The Municipality believes that the development of young people is a crucial step towards the development of its various communities. The youth affairs office facilitates the implementation of the national youth policy within the municipality, through the following:-

- Conducting workshops for young people
- Outreach to schools and communities
- The youth advisory centre
- The rights of a child programme

5.2.6.2 Development of the People with Disabilities

This is aimed at ensuring inclusion of people with disabilities within the government programmes (including the municipality's programmes). Furthermore, the programme aims at ensuring that the rights of people with disabilities are known and upheld by those living with disabilities as well as the community at large. In the year under review, about 3 people attended the 2011 parliament for people with disabilities.

5.2.6.3 Development of the Elderly

The uMngeni Municipality has over years attracted a number of the elderly who have relocated from various locations in the country to live within the municipal area. Most of these elderly are retired individuals who reside in the retirement estates found in the municipality. The municipality does on an annual basis host the local Golden Games which involves the elderly who after successful participation go on to represent the municipality in the district, provincial and national Golden Games respectively. In the previous year the municipality was represented by 1 elderly athlete in the National Golden Games.

5.2.6.4 Development of Women

This is aimed at facilitating gender equity, while dealing with gender related issues such as gender based violence, etc. At this stage nothing has transpired of this programme as there has been no funding to enable implementation. However a plan for local programmes is being developed and will be implemented in the near future.

5.2.6.5 Special Programmes

HIV/AIDS Programme

The uMngeni Municipality has undertaken to develop an HIV and AIDS strategy. The purpose of this strategic plan is to guide all stakeholders and role-players in their efforts to implement a systematic response to the pandemic within the uMngeni jurisdiction. The plan is informed by two key principles that guide municipalities in their fight against the spread and impact of HIV and AIDS:-

- Reduction or elimination of duplication;
- Maximum utilisation of the available resources;

The uMngeni HIV and AIDS strategy is premised on the understanding that the fight against the spread and impact of the HIV and AIDS pandemic in our communities can only be won through multi-sectoral collaboration and creation of an effective

partnership based on the experience and skills of locally based organisations and institutions.

5.2.7 Social Development: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Communities are clear on the level of developments that they require. There is sufficient data available to ensure evidence based planning of social facilities. There are sufficient schools to meet the current demand. There are health facilities available in some wards. There are police stations available to ensure and promote safety. The municipality has a dedicated traffic management unit. The municipality host events that promote nation building and social cohesion. The municipality has a dedicated Unit that deals with youth development issues There is sufficient data available to ensure evidence based planning of social facilities. There are sufficient schools to meet the current demand. There are health facilities available in some wards. There are police stations available to ensure and promote safety. 	<ul style="list-style-type: none"> Lack of a 24 hour health facilities within the municipality For the size of the population, the municipality does not have a public hospital. Majority of public schools lacking information technology Lack of public transport in rural communities Vehicle testing ground unavailable in the municipality. Lack of early childhood programmes. Lack or slow implementation of gender related issues. Low levels of people with a matric pass rate. Low levels of skilled people with only 15% having acquired a higher education levels. For the size of the population, the municipality does not have a public hospital. Majority of public schools lacking information technology Lack of public transport in rural communities Vehicle testing ground unavailable in the municipality. Lack of early childhood programmes. Low levels of people with a matric pass rate. Low levels of skilled people with only 15% having acquired a higher education levels.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Schools available to promote education as a driver for development Events hosted in the municipality provide opportunity to enhance tourism. 	<ul style="list-style-type: none"> Lack of appropriate social facilities could lead to social ills. Mandates that are not controlled by the municipality could lead to community unrest.

Table 35

6. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

6.1 Financial Viability and Management Analysis

6.1.1 Capability of the Municipality to execute Capital Projects

The municipality has a number of capital projects that have been implemented over the years. Such projects have been achieved through the resourcing of the Technical Services Department of the municipality which is responsible for infrastructure related

initiatives. There are still a number of capital projects proposed in this document and the municipality will add human capacity if and when required to meet the demand.

6.1.2 Indigent Support

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigent qualify for the free basic services.

For the 2014/2015 financial year 3103 registered indigents have been provided for in the budget with this figured anticipated to increase 3503 by 2015/2016. In terms of the Municipality's indigent policy registered households are entitled to free 100kwv of electricity and free waste removal for all properties with a value of up to R 200 000 as well as a discount on their property rates. The current cost of serving indigent people by the municipality is approximately R4,7 million a month.

6.1.3 Revenue Enhancement and Protection Strategies

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash flow, not only from current billings but also from debtors that are in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service and credit control and debt collection. The municipality will also develop an investment

6.1.4 Municipal Consumer Debt Position

The liquidity ratio is measure of the ability of the Municipality to utilize cash and cash equivalents to extinguish its current liabilities immediately. Ideally the municipality should have the cash and cash equivalent on hand to meet at least the current liabilities. If the Municipality under collects its revenue that will translate into serious financial challenges for the Municipality.

6.1.5 Grants and Subsidies

The Municipality received both National and Provincial Grants for the 2013/2014 financial year, R 59, 560,000 from National Treasury and R 3,844,000 from Provincial Treasury. The Municipality has budgeted for all transfers that will be received and appears in the Division of Revenue Act.

6.1.6 Municipal Infrastructure Assets and Maintenance

The municipality has an Asset register in place which was compiled in the 2013/2014 financial year. This register however has some duplication on the financial system SAMRAS which has led the municipality to embark on a project to undertake verification of assets in order to curb the current situation. This initiative is almost complete.

6.1.7 Current and Planned Borrowings

The Municipality did not budget for any borrowings. Capital expenditure in local government can be funded by capital grants, own source revenue and long term borrowing. The ability of the Municipality to raise the long term borrowing is largely dependent on its creditworthiness and financial position.

6.1.8 Municipality's Credit Rating

The municipality due to the nature of its size does not have a credit rating but it received an unqualified audit opinion from the Auditor General for the 2013/2014 financial year. There are still a lot of issues that the municipality must still needs to address in order to obtain a clean audit.

6.1.9 Employee Related Costs

The employee related costs are 30% of the total Expenditure. These costs continue to decrease over the MTREF. An assessment of all employee related costs that will include current and vacant position will be conducted to establish future costs to the council.

6.1.10 Supply Chain Management (SCM)

The municipality has a fully functional SCM Unit with dedicated personnel. The unit has an adopted Supply Chain Management Policy which guides the Unit in the procurement of goods and provision of service providers. Internally, the municipality has employed strategies to ensure that the policy is implemented effectively and efficiently.

6.2 Financial Viability and Management: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ The municipality is capable of implementing capital projects. ▪ The municipality has revenue enhancement strategies in place. ▪ The municipality has in place an Interim Finance Committee which has been effective to ensure the financial sustainability in the municipality. ▪ The municipality receives grants and subsidies. ▪ The municipality has a satisfactory rates collection to support some of its service delivery mandate. ▪ The municipality has an appointed service provider to compile and review the Valuation Roll on an annual basis. ▪ The municipality is able to support indigent communities. ▪ The municipality received an unqualified audit finding. ▪ The employee related costs are less than 35%. 	<ul style="list-style-type: none"> ▪ Non-payment of municipal rates and service charges result in loss of revenue. ▪ Due to theft, there are electricity losses that result in a loss of revenue to the municipality. ▪ The municipality currently does not have a Chief Financial Officer. ▪ The increasing number of indigent people result in municipality providing free basic services. ▪ Lack of financial management skills at middle management level. ▪ Lack of spending of conditional grants ▪ Expired lease agreements & Service Level Agreements ▪ Poor road infrastructure maintenance (i.e. potholes) ▪ Low debt collection ▪ Reliance on consultants to prepare financials ▪ Lack of segregation of duties

<ul style="list-style-type: none"> ▪ The municipality has an SCM Policy to ensure credibility in the manner in which the municipality it conduct it finances. ▪ Reliable ratepayers base. Existence of requisite business units and management 	<ul style="list-style-type: none"> ▪ Inadequate asset management (e.g. fleet management)
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ Promotion of industrial developments in order to increase the rate revenue. ▪ Access to grants and subsidies funding ▪ Implementation of revenue enhancement strategies. ▪ Annual review of the municipal financial plan ▪ AG Report provides an opportunity to achieve a clean audit. New development areas (to increase rates base) 	<ul style="list-style-type: none"> ▪ Perceived corruption in the municipal finance department. ▪ The lack of addressing AG comments could result in negative audit outcomes. ▪ Inability to implement capital projects ▪ Non-payment of rates and service charges ▪ Lack of spending of grant funding ▪ Inappropriate management of conditional grants ▪ Electricity theft in some areas of the municipality result in loss of revenue ▪ Negative Auditor General opinion] Claims against the municipality for pothole damages

Table 36

7. GOOD GOVERNANCE AND PUBLIC PARTICIPATION ANALYSIS

7.1 Good Governance Analysis

7.1.1 National and Provincial Programmes rolled-out at Municipal Level

Operation Sukuma Sakhe (OSS)

The programme aims to embrace the community partnerships and the integration of fieldworkers, by encouraging coordination of comprehensive services of different service providers such as government departments, state owned enterprises and civil society as it views the delivery of anti-poverty programmes as a collective responsibility. The program is anchored on 3 important areas which are food security, healthier communities (addressing HIV/AIDS and T.B.) and empowerment of youth and women. It also aims to address the social ills which are substance abuse, teenage pregnancy, crime, road accidents and gender based violence.

There are different steps to understanding household and community needs. The community care givers (CCGS) visit households whereby a household head will provide information on the individuals in the household, using the household profiling tool which is completed by the CCGS and Youth ambassadors, the baseline information of the household is then established. The war room meetings then take place whereby there is discussion of the household needs per department; the needs are then submitted to the departmental focal person for action.

There are three main structures for OSS, the political structure, the coordinating structure and the oversight structure. In uMngeni municipality the honourable Mayor is the political

champion, there is also a Local Task Team that is supported by the Municipal Executive Council. At the ward level the ward councillors are championing OSS whilst there are Ward Task Teams that are supported by the ward committees. War rooms have been established in all the wards of uMngeni with some war rooms in some wards being fully functional.

Batho Pele

The uMngeni Municipality has adopted the following Batho Pele principles which put people first in all forms of service delivery:-

Consultation: Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered. The municipality has upheld this principle by engaging the public in the formulation of the IDP and Budget which occurs on annual basis.

Service Standards: Citizens should be told what level and quality of public services they will receive so that they are aware of what to expect. Through the ward committees the municipality has been able to offer specific services that are to the satisfaction of the public.

Access: All citizens should have equal access to the services to which they are entitled. The municipality serves its entire area of jurisdiction thus reaching all citizens.

Courtesy: Citizens should be treated with courtesy and consideration.

Information: Citizens should be given full, accurate information about the public services they are entitled to receive.

Openness and transparency: Citizens should be told how national and provincial departments are run, how much they cost, and who is in charge. The municipality has been able to achieve this principle through the IDP Ref Forums and the many other structures that exist.

Redress: If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when the complaints are made, citizens should receive a sympathetic, positive response. The municipality strives to deliver on its promised standard of service but where it has lacked appropriate measures then taken to address the matter in the most professional manner at any given time.

Value for Money: Public services should be provided economically and efficiently in order to give citizens the best possible value for money. The municipality has strived to provide services whilst at the same time ensuring cost saving measures.

Encouraging Innovation and Rewarding Excellence: Innovation can be new ways of providing better service, cutting costs, improving conditions, streamlining and generally making changes which tie in with the spirit of Batho Pele. It is also about rewarding the

staff who “go the extra mile” in making it all happen. The municipality has upheld this principle and more recently the cutting down of departments from 8 to 5 resulted in the municipality saving approximately R6m that would have been otherwise spent on salaries.

Customer Impact: Impact means looking at the benefits we have provided for our customers both internal and external – it's how the nine principles link together to show how we have improved our overall service delivery and customer satisfaction. It is also about making sure that all our customers are aware of and exercising their rights in terms of the Batho Pele principles.

7.1.2 Inter-Governmental Relations (IGR)

IGR forums are there to provide a platform for discussion and constitution on areas that require co-operative among the family of municipalities. IGR forums are not executive decision making bodies, but they may take resolutions or make recommendations in order to promote and facilitate co-operative decision making.

The uMngeni Municipality falls under the uMgungundlovu District Municipality which has a fully operational IGR structure that has been running from the term of the previous council. The Cluster Model has led to the establishment of shared services in the District, which also lead to better utilisation of resources. Shared services are now used in the fields of Internal Audit, Performance Management, Integrated Development Planning and Information and Communications Technology. This approach is having the effect that the families of Municipalities in the District are all benefiting from the scarce resources and expertise available within the District. Each cluster is chaired by municipal managers as indicated below:-

- MAYORS FORUM - DISTRICT MAYOR
- MUNICIPAL MANAGERS FORUM - DISTRICT MM
- COOPERATE GOVERNANCE - MSUNDUZI MM
- FINANCIAL CLUSTER - MPOFANA MM
- PLANNING AND DEVELOPMENT - uMNGENI MM
- COOPERATE AND SOCIAL SERVICES - uMSHWATI MM
- TECHNICAL SERVICES AND INFRASTRUCTURE - MKHAMBATHINI MM
- ICT - IMPENDLE MM
- COMMUNICATIONS - RICHMOND MM
- SPECIAL PROGRAMMES - DISTRICT MM

There is however improvement measures that need to be put in place to ensure the functionality of all the cluster as was the case in previous years.

7.1.3 Municipal Structures

Ward Committee

Ward committees are elected as ward based committees. They are chaired by the Ward councillors and composed of community members. This is intended to provide a channel

of communication and interaction between communities and the municipality. Furthermore, ward committees ensure the active participation of the community in service payment campaigns, the integrated development planning process, the Municipality's budgetary process, and decisions about the provision of municipal services, decisions about By-laws and decisions relating to implementation of Municipal Property Rates Act (MPRA). This function encapsulates the municipality's commitment to the provision of the highest quality service to its constituencies and to ensure that all the strategies and objectives are adhered to, resulting in a productive and sustainable municipality.

The induction process for the ward committees, took place in March 2012. There were 29 ward committee meetings that took place in the year under review. These meetings were held in their respective wards and reports were submitted to Council in terms of the Ward Committee System Policy. Ward committees have been established and the term of office is going to correspond with the term referred to in Section 24 of the Structures Act.

The municipality has 120 elected ward committee members from 12 wards. Some of the ward committees are not fully functional for various reasons but effort are being made to rectify the situation. The Speaker of the municipality will attend to the issues raised in order to ensure that ward committees are effective in assisting the municipality to providing service delivery.

A ward committee meeting represented by all wards was held on 27 February 2015 to provide an update on the current IDP Review but also gather community inputs from this important municipal stakeholder. It is important for the consultation process to be a bottom up approach in order to ensure community priorities are well considered in the planning process. The engagement was a success from a consultation point of view however, the lack of provision of community requirements at ward level is a concern albeit some of the wards were able to provide feedback to the municipality.

IDP Representative Forum

The main function of the IDP Representative Forum is to ensure the participation of various interested and affected organizations, groups and individuals. The general Terms of Reference of the Forum, in accordance with the IDP Guidelines, are as follows:-

- Represent the interests of constituents in the IDP process;
- Provide an organizational mechanism for discussion, negotiation and decision making between the stakeholders, including municipal government;
- Ensure communication between all the stakeholder representatives, including municipal government; and
- Monitor the performance of the planning and implementation process.

In order to encourage the continued participation of Forum members in the IDP process (as well as to encourage additional organizations to become members of the Forum), it was proposed that notices informing community members of the IDP process be placed in the local press, and on Municipal notice boards. A district and local IDP Rep Forum sessions were held in November 2014 and January 2015. The forums were attended by

sector departments and all relevant stakeholders of the municipality. Project and programmes presented in these sessions have been incorporated into this document.

Council

As previously mentioned in the earlier part of this documents, the uMngeni LM Council comprises of 23 Councillors, constituted from 12 Ward Councillors; and 11 proportional representation (PR) Councillors. This document represents the mandate held by this current council until the end of their elected term. In relation to the IDP, the uMngeni Council is responsible for the following activities:-

- Adopting the Process Plan
- Ensuring that business plans and budget decisions are based on the IDP.
- Ensuring that Key Performance Indicators and Targets as outlined in the PMS are realistic and achievable.
- Ensuring that the IDP is tied to the budget.
- Ensuring that there is a linkage between the IDP, the Performance Management System (PMS), and the Budget Process.
- Monitoring the implementation of the IDP.
- Ensuring that the IDP process complies with the prescribed legislation.
- Approving and adopting the IDP.

Council has played a role of ensuring that adoption processes take place but more emphases should be geared towards ensuring that all the above tasks are closely monitored.

IDP Steering Committee

This Committee is chaired by the Municipal Manager and comprises of the Heads of Department and other key officials. Its Terms of Reference are as follows:-

- To commission research studies or any other information collection activity;
- To assess proposals from project teams and make recommendations in regard to improvements amendments.
- To process, summarise and document outputs;
- To make content recommendations to the IDP Manager, IDP Representative Forum and Council
- To prepare, facilitate and document meetings;
- To assess, and comment on, inputs from project teams, provincial sector departments and support providers.

As a strategy to ensure departmental integration of issues within the IDP, the IDP will be made a standing MANCO item as of the next financial year. The lack of Section 57 managers in some of the departments has been a negative factor in ensuring the proper functioning of the steering committee to the extent that issues within departments are lacking strategic implementation or direction.

Municipal Public Accounts Committee (MPAC)

The primary function of the Municipal Public Accounts Committee (MPAC) is to assist the Council in exercising its oversight and accountability responsibilities and function; by generally exercising political oversight on behalf of the council; by holding the executive and municipal administration to account; by overseeing and reviewing municipal accounts to ensure the effective and efficient utilization of the municipal resources; and by carrying out the responsibilities of initiating and preparing the annual oversight report. The uMngeni LM committee meets at least quarterly per annum. The Chairperson of the Committee determines the time and venue of all meetings. MPAC sits on a monthly basis and has been active since the start of the financial year.

7.1.4 Internal Audit

The Internal Audit Activity is an independent appraisal which examines and evaluates uMngeni Local Municipality's activities as a service to Management and the Council. To provide for the independence of the Internal Auditing Activity, its personnel report to the Municipal Manager who report functionally to the Audit Committee.

The department supports members of uMngeni Local Municipality in the effective discharge of their duties. The identification and prevention of fraud is clearly a management responsibility. Internal Audit is well qualified and experienced to assist management to identify the main fraud risks facing uMngeni Local Municipality and could assist management in designing appropriate controls that could minimize the effects of the risks.

The scope of work of the Internal Audit Activity is to determine whether the uMngeni Local Municipality network of risk management, control and governance processes, as designed and represented by management, are adequate and functioning in a manner to ensure:-

- That risks are appropriately identified and managed;
- That interaction with various governance groups occurs as needed;
- That significant financial, managerial, and operating information is accurate, reliable, and timely;
- That employees actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- That resources are acquired economically, used efficiently, and adequately protected;
- That programs, plans, and objectives are achieved;
- That quality and continuous improvement are fostered in the uMngeni Local Municipality control process; and
- Those significant legislative or regulatory issues impacting the uMngeni Local Municipality are recognized and addressed appropriately.
- Evaluate and report on Performance Management.

7.1.5 Status of Municipal Policies

Table 37 below indicates the status of sector plans and policies in the municipality.

SECTOR PLAN	STATUS	ADOPTED
3 Year Financial Plan	Currently being reviewed	Y
Disaster Management Plan	Plan is outdated and needs to be reviewed	Y
SDF Review	Currently being reviewed to form part of the Final 2014/205 IDP Review	Y
LED Strategy	The strategy needs to be revisited to respond better to municipal local economic development.	Y
Integrated Transport Plan	Status still being ascertained from the district	Y
Housing Sector Plan	Requires revision	Y
Communication Strategy	Currently in Draft	N
Employment Procedure	Currently being implemented	Y
Leave Policy	Currently being implemented	Y
Placement Policy	Has recently been implemented	Y
Workplace Skills Plan	Skills audit has been done and implementation	Y
Human Resource Development Policy	The policy has been implemented through the different	Y
Retention Policy	Adopted	Y
Succession Policy	Adopted	Y
Recruitment and Selection Policy	Requires adoption	N
Petty Cash Policy	Implemented	Y
Investment and Cash Management Policy	Implemented	Y
Credit Control and Debt Collection Policy	Implemented	Y
Overtime Policy	Implemented	Y
Rates Policy	Implemented	Y
Subsistence and Travel Allowance Policy	Implemented	Y
Supply Management Policy	Implemented	Y
Tariff Policy	Implemented	Y
Indigent Policy and Register	Implemented and reviewed annually	Y
Funding and Reserve Policy	Implemented	Y

Property Management Policy	Implemented	Y
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Table 37

7.1.6 Municipal Risk Management

Risk Assessment was performed which contributed to leveraging synergies between the organization's risk management and internal auditing processes.

A risk based Three Year Strategic Internal Audit Rolling Plan was developed to determine the priorities of the internal audit activity, which was consistent with the organization's goals was communicated to Council, Management and the Audit Committee subsequent to that it was implemented. The municipality has also established a Risk Management Committee.

Risk based annual Internal Audit Plan was reviewed on a quarterly basis updated where necessary and communicated the Audit Committee through audit reports.

7.1.6 Municipal Bylaws

Table 38 below indicates the status of the municipal by-laws promulgated in April of 2006:-

BY - LAWS	PROMULGATED	DATE PROMULGATED
Pound	Y	April 2006
Advertising Signs	Y	April 2006
Dogs		April 2006
Dumping and Littering	Y	April 2006
Cemetery		April 2006
Control of Parking Attendants / Car Guards	Y	April 2006
Credit Control and Debt Collection		April 2006
Credit Management	Y	April 2006
Electricity Supply		April 2006
Financial	Y	April 2006
Fire Brigade Services		April 2006
Funeral Undertakers	Y	April 2006
Nuisances		April 2006
Public Health	Y	April 2006
Public Meetings and Gathering, Processions and the Like		April 2006
Street Trading	Y	April 2006
Standing Rules and Orders for Council and its Committees		April 2006
Waste Management	Y	April 2006

Table 38

7.2 Public Participation Analysis

In terms of Chapter 4 section 16 (1), a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in the preparation and implementation and review of its integrated development plan in terms of Chapter 4.

The uMngeni LM communities are continuously engaged through ward committee structures and public participation consultative meetings to communicate municipal programmes, the IDP and the budget. The following meetings will be held at the various wards to present the Draft 2014/2015 IDP Review and Budget to communities.

DATE	TIME	VENUE	WARD
13 April 2015	17:00	Lidgetton Community Hall	Ward 4
14 April 2015	17:00	Hilton Community Hall	Ward 6 and 7
15 April 2015	17:00	Howick West Community Hall	Ward 1 and 12
19 April 2015	12:00	Mpophomeni Youth Theatre	Ward 8, 9, 10 and 11
20 April 2015	17:00	Nottingham Road Landowners Ass. Hall (Next to Nottingham Road Library)	Ward 3
21 April 2015	17:00	Howick Council Chambers	Ward 2 and 5

Table 39

7.3 2014/2015 IDP REVIEW MEC Comments Responses

Key Performance Area	MEC Comments	Municipal Response
Municipal Transformation and Institutional Development	Human Resources Strategy implementation	The HRS will be finalised by April 2015.
	Filling of critical post	All critical post have been filled with the exception of the Municipal Manager which has already been advertised.
	Strengthening of internal controls	The ICT Governance Framework to be adopted by council will result in better internal controls
	ICT Governance Framework	April 2015
	Institutional arrangements and budget requirements for the implementation of SPLUMA	The Municipal Tribunal will be shared at district level and budget provisions have prioritised
Local Economic Development	Prioritisation of LED projects in IDP	LED projects have been prioritised as per budget provisions

	Expected job creation by 2030	This will be finalised as part of the Final IDP Review
Basic Service Delivery	Status Integrated Waste Management Plan	IWMP will be completed by April 2015.
	Electricity Operations and Maintenance Plan	The plan has been prioritised in this IDP Review.
	PDA Applications per land use type on maps	To be included in Final IDP Review
	Reflect Spring Grove Dam on maps	Addressed
	Maps to show access to water and sanitation, condition of water and sanitation infrastructure, areas prioritised for water and sanitation	Addressed
	Capacity of landfill sites	UMDM. It will be dealt with once the IWMP has been developed
	Status on the Energy Sector Plan	The plan will be developed.
	Maps to reflect electrical infrastructure and areas prioritised for electrification upgrades	To be included in Final IDP Review
	Part of XA of NBR is being implemented	Implementation of SANS 10400 requirements
Financial Viability and Management	Limited information on capacity to implement capital projects (technical capacity and project management)	The municipality will strengthen the capacity and project management by critically monitoring performance and also contribution of top slice to augment capacity
	Reasons and challenges for any unspent capital funding	Khayelisha Housing – environmental issues. R617 authority to lay storm water pipe in road reserve is a challenge that will be addressed as part of the Final IDP Review.
	Cost of serving indigent people	Indigent list to be updated by 30 April and R4,9m a month is the current cost to municipality
	Current debt position	Amnesty and consequence management thereafter
Good Governance and Public Participation	Development, adoption and implementation of the Communication Strategy	The Communication Strategy has been developed and envisaged for adoption by April 2015.

	Status and functionality of Bid Committees	The status and functionality of bid committees has been outlined on page
Cross Cutting Intervention	Aims at achieving desired growth	To be addressed by SDF Review by June 2015
	Demographic trends identified in district SDF to be addressed in municipal SDF	To be addressed with SDF Review by June 2015
	Adoption of the protection and development of agricultural land contained in the district SDF	To be addressed with SDF Review by June 2015
	Alignment of municipal SDF with district SDF	To be addressed with SDF Review by June 2015
	Cross border planning and alignment	To be addressed with SDF Review by June 2015
	Development of a Capital Investment Framework	To be addressed with SDF Review by June 2015
	Development of a Strategic Environmental Assessment	To be budgeted for in the 2015/2016 financial year
	Policy guideline on the protection of high agricultural land	To be addressed with SDF Review by June 2015
	Development of an Agricultural Sector Plan	Funding from the Dept of Agriculture will be requested in the next financial year
	Lack of a Disaster Management Plan and a lack of capacity and budgeting for disaster management	The plan will be developed by April 2015 Capacity and budgeting will be considered for the next financial year

Table 40

7.4 Good Governance and Public Participation: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Qualified staff ▪ The municipality rolls out national and provincial programmes. ▪ The municipality is part of an effective IGR structure at a district level ▪ All municipal committees are fully functional. ▪ The municipality has a fully functional Internal Audit Unit ▪ The municipal Audit Committee is fully functional and plays an oversight role. ▪ Most of the municipal policies are in place ▪ The municipality has By-laws in place ▪ The municipality has an effective public participation process 	<ul style="list-style-type: none"> ▪ Lack of resources and capacity to develop Community Based Plans at ward level. ▪ Lack of participation of some ward committees in municipal plans. ▪ Lack of implementation or enforcement of municipal by-laws ▪ Lack of implementation of municipal policies ▪ Lack of adoption of the Communication Strategy ▪ Vehicle testing ground unavailable in the municipality. ▪ Lack or slow implementation of gender related issues. ▪ Inadequate on the job training within the municipality

<ul style="list-style-type: none"> ▪ The municipality is the host of some of the Shared Services personnel which adds value in the municipal Planning Unit. ▪ Expanded Public Works Programme staff is in place to assist the municipality in achieving its service delivery mandate. ▪ Communities are clear on the level of developments that they require. ▪ The municipality has a dedicated traffic management unit. ▪ The municipality host events that promote nation building and social cohesion. ▪ The municipality has a dedicated Unit that deals with youth development issues 	<ul style="list-style-type: none"> ▪ Over familiarity between staff and council resulting to disrespect ▪ Outdated policies ▪ Undocumented systems and controls ▪ Poor records management ▪ Most ward committees are dis-functional ▪ Lack of branding of the municipality ▪ Poor external communication ▪ Lack of community outreach programmes ▪ Inadequate monitoring and evaluation procedures ▪ Negative image about the municipality ▪ Too many council meetings and sub-committees ▪ Poor succession planning ▪ Poor management and supervision of staff
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ The district Cluster Model provides for an opportunity to share information with other municipalities. ▪ The municipal structures allows for better integrated development planning. ▪ Roll out of national and provincial programmes will allow for alignment of issues at different spheres of government. ▪ Schools available to promote education as a driver for development 	<ul style="list-style-type: none"> ▪ Lack of proper stakeholder participation in the development of all municipal plans. ▪ The lack of enforcement of municipal bylaws could result in uncoordinated planning ▪ The lack of implementation of municipal policies ▪ Lack of capacity to Land Reform beneficiaries ▪ Lack of appropriate social facilities could lead to social ills. ▪ Mandates that are not controlled by the municipality could lead to community unrest. ▪ Staff turnover ▪ Service delivery protests ▪ Intra-party disagreements

Table 41

8. COMBINED SWOT ANALYSIS

In order to understand the SWOT analysis, it is relevant to discuss the concepts of the external and internal environments of the municipality. The external environment refers to features and processes which occur outside the municipality, while the internal environment refers to the characteristics and the processes which occur within the municipal boundaries. In the analysis Strengths, Weaknesses, Opportunities and Threats should be seen from the perspectives of both the external and internal environments. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats should be seen as both the present and the future situation as it may apply to the municipality.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ SDF is reviewed annually ▪ Well defined nodal areas in the municipality ▪ Well defined corridors with satisfactory access to all nodal areas ▪ Functional Shared Services Model to support development and spatial planning ▪ Water catchment areas provide water resources to communities and businesses ▪ Municipality is situated along the N3 ▪ High potential agricultural land ▪ Location of the Municipality within the Midlands Meander as a key tourism destination ▪ High conservation areas ▪ The municipal SEA is in place ▪ Wall to wall scheme has been finalised ▪ Functional Disaster Management Unit at the District Municipality ▪ Local response personnel to disaster issues in place ▪ Qualified staff in critical positions within the municipality ▪ There are established departments that deal with all municipal functions ▪ Availability of funds from LG SETA for training of municipal staff ▪ The municipal policies and procedures are in place albeit some of them outdated ▪ There is an existing organisational structure that responds to its strategic requirements. ▪ The Human Resources Development Policy is in place to enhance the municipal skills capacity. ▪ Frequently held MANCO, Portfolio, EXCO and Full Council meetings on a monthly basis. ▪ The Master Systems Plan has been adopted. ▪ The municipality has a functional Shared Services model. 	<ul style="list-style-type: none"> ▪ Lack of Local Area Plan for the nodes ▪ Lack of Capital Investment Framework that is linked to the IDP and Budget ▪ Lack of resources to properly implement enforcement ▪ Lack of town planning capacity building in communities especially in Mpophomeni ▪ The Disaster Management Plan is outdated ▪ Lack of human resource within the Town Planning Unit and Building Inspectorate could lead to major backlogs thus comprising service delivery ▪ The municipal SEA has not been reviewed for over five years ▪ High potential agricultural land ▪ The municipality does not have the power to provide all the services that are necessary for development to occur ▪ Lack of coordinated planning between the municipality and Ingonyama Trust Board ▪ Outdated Disaster Management Plan ▪ Lack of training, capacity and public awareness to disaster issues to communities ▪ Lack of sufficient human resources within the Municipality to tackle disaster issues ▪ Centralisation of the Disaster Management Unit at the District Municipality ▪ Lack of a functional Disaster Management Advisory Forum ▪ Lack of inter-departmental coordination in the development of the IDP. ▪ Lack of funding to fill vacancies within the Technical Services Department which is a driver for service delivery. ▪ Lack of the overall implementation of the Human Resources Policy. ▪ Vacant critical positions (\$57) could hamper the municipality in achieving its long term goals and objectives.

<ul style="list-style-type: none"> ▪ There is an Acting Accounting Officer ▪ High levels of improvement in the delivery of basic services. ▪ The municipality has sufficient water resources to support current and future demand. ▪ Expanded Public Works Programme staff is in place to assist the municipality in achieving its service delivery mandate. ▪ The municipality has satisfactory social services to support the municipal population. ▪ Good understanding and knowledge of the area. ▪ Good understanding of the needs of the community. ▪ Good intellectual value related to infrastructure needs. ▪ Innovation related to unique project firsts; such as, electrification in Eskom license area, electrification of farm communities, and partnership with Hiltonian society housing project, KwaNxamalala tribal authority housing and water conservation, and construction of classrooms. Greenest town waste minimization. ▪ Facilitation of construction of school. ▪ Development of electricity smart metering specifications. ▪ Early implementation of EPWP principles for employment of local labour on projects. ▪ Compilation of business plans resulting in grant funding, lotto, capture site, Main Street, etc. ▪ Implementation of challenging housing projects. ▪ Management of land fill site. ▪ Specialised technology for pothole repairs. ▪ Staff management and leadership in some sections. ▪ Broad networks and contacts with spheres of government and private sector. ▪ Vast experience in local government ▪ Adequate buildings for operations ▪ Capable staff leading ▪ 4 War room conveners within the municipality ▪ The municipality has a functional economy within the different economic sectors. ▪ The municipality has a strong tourism sector <i>albeit</i> not well documented ▪ The municipality has an established retail and community services sector to support the local population. 	<ul style="list-style-type: none"> ▪ Lack of sufficient women and people with disabilities at management level. ▪ Lack of human resource capital ▪ Lack of office space ▪ Lack of a Human Resources Strategy ▪ Lack of boosting staff morale ▪ Lack of synergic approach to offer services as a catalyst for change management ▪ Lack of an Accounting Officer ▪ Lack of sufficient socio-economic infrastructure to support demand for current and future development. ▪ Low levels of telecommunication infrastructure to bridge the digital divide. ▪ Lack of utilisation of IGR structures result in uncoordinated planning. ▪ Poor road access in some of the wards. ▪ The lack of prompt maintenance of municipal services has resulted in frustration from the public. ▪ The supply of electricity to Hilton by uMsunduzi Municipality result in loss of possible revenue. ▪ The low rate base result in the municipality being unable to have sufficient funding to meet some of the community needs. ▪ The dispersed rural settlements make it difficult for the municipality to provide basic services. ▪ Mpophomeni Works needs to be commissioned. ▪ Lack of access to social facilities in some wards. ▪ High level of vacancies over 50% ▪ Inadequate technical support ▪ Inadequate supervision at foreman level ▪ Inadequate supervision by managers i.e. hands on ▪ Poor work ethic ▪ Poor discipline ▪ Disrespect ▪ Supervision at supervisor level is poor ▪ Lack of responsibility ▪ Lack of EAP support ▪ Lack of cash backed funding of budget provision. ▪ Aging vehicles, plant and equipment. ▪ Deterioration of infrastructure due to inadequate resources to maintain at acceptable standards ▪ Turnaround time SCM processes ▪ Maintenance is reactionary due to lack of resources putting out fires" inadequate planned maintenance. ▪ MIG reporting and contract management ▪ Time dominated by too many meetings
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<ul style="list-style-type: none"> ▪ The municipality provides training and capacity building to SMME's and Co-operatives. ▪ The municipality has an established Economic Development Unit ▪ The informal economy is regulated. ▪ Communities are clear on the level of developments that they require. ▪ There is sufficient data available to ensure evidence based planning of social facilities. ▪ There are sufficient schools to meet the current demand. ▪ There are health facilities available in some wards. ▪ There are police stations available to ensure and promote safety. ▪ The municipality has a dedicated traffic management unit. ▪ The municipality host events that promote nation building and social cohesion. ▪ The municipality has a dedicated Unit that deals with youth development issues ▪ There is sufficient data available to ensure evidence based planning of social facilities. ▪ There are sufficient schools to meet the current demand. ▪ There are health facilities available in some wards. ▪ There are police stations available to ensure and promote safety. ▪ The municipality is capable of implementing capital projects. ▪ The municipality has revenue enhancement strategies in place. ▪ The municipality has in place an Interim Finance Committee which has been effective to ensure the financial sustainability in the municipality. ▪ The municipality receives grants and subsidies. ▪ The municipality has a satisfactory rates collection to support some of its service delivery mandate. ▪ The municipality has an appointed service provider to compile and review the Valuation Roll on an annual basis. ▪ The municipality is able to support indigent communities. ▪ The municipality received an unqualified audit finding. ▪ The employee related costs are less than 35%. ▪ The municipality has an SCM Policy to ensure credibility in the manner in which the municipality it conduct it finances. 	<ul style="list-style-type: none"> ▪ Electrical engineering as influenced by Eskom's announcement to withdraw from SLA ▪ No budget for special programmes ▪ Insufficient human capital (over-stretching current employees) ▪ Management vacuum ▪ Negative reputation from 'under-served groups' ▪ Lack of LED strategy ▪ The municipal LED Strategy lacks strategic direction to support current and future economic needs of the municipality. ▪ Lack of transformation in the economy for previously disadvantaged individuals. ▪ Shortage in entrepreneurial skills to grow and provide employment to the economy. ▪ Lack of infrastructure that support future economic investment opportunities. ▪ Dilapidated infrastructure in the Central Business District (CBD). ▪ Lack of sufficient skilled labour to support future investment opportunities. ▪ Lack of a 24 hour health facilities within the municipality ▪ For the size of the population, the municipality does not have a public hospital. ▪ Majority of public schools lacking information technology ▪ Lack of public transport in rural communities ▪ Vehicle testing ground unavailable in the municipality. ▪ Lack of early childhood programmes. ▪ Lack or slow implementation of gender related issues. ▪ Low levels of people with a matric pass rate. ▪ Low levels of skilled people with only 15% having acquired a higher education levels. ▪ For the size of the population, the municipality does not have a public hospital. ▪ Majority of public schools lacking information technology ▪ Lack of public transport in rural communities ▪ Vehicle testing ground unavailable in the municipality. ▪ Lack of early childhood programmes. ▪ Low levels of people with a matric pass rate. ▪ Low levels of skilled people with only 15% having acquired a higher education levels.
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<ul style="list-style-type: none"> ▪ Reliable ratepayers base. Existence of requisite business units and management ▪ Qualified staff ▪ The municipality rolls out national and provincial programmes. ▪ The municipality is part of an effective IGR structure at a district level ▪ All municipal committees are fully functional. ▪ The municipality has a fully functional Internal Audit Unit ▪ The municipal Audit Committee is fully functional and plays an oversight role. ▪ Most of the municipal policies are in place ▪ The municipality has By-laws in place ▪ The municipality has an effective public participation process ▪ The municipality is the host of some of the Shared Services personnel which adds value in the municipal Planning Unit. ▪ Expanded Public Works Programme staff is in place to assist the municipality in achieving its service delivery mandate. ▪ Communities are clear on the level of developments that they require. ▪ The municipality has a dedicated traffic management unit. ▪ The municipality host events that promote nation building and social cohesion. ▪ The municipality has a dedicated Unit that deals with youth development issues ▪ 	<ul style="list-style-type: none"> ▪ Non-payment of municipal rates and service charges result in loss of revenue. ▪ Due to theft, there are electricity losses that result in a loss of revenue to the municipality. ▪ The municipality currently does not have a Chief Financial Officer. ▪ The increasing number of indigent people result in municipality providing free basic services. ▪ Lack of financial management skills at middle management level. ▪ Lack of spending of conditional grants ▪ Expired lease agreements & Service Level Agreements ▪ Poor road infrastructure maintenance (i.e. potholes) ▪ Low debt collection ▪ Reliance on consultants to prepare financials ▪ Lack of segregation of duties ▪ Inadequate asset management (e.g. fleet management) ▪ Lack of resources and capacity to develop Community Based Plans at ward level. ▪ Lack of participation of some ward committees in municipal plans. ▪ Lack of implementation or enforcement of municipal by-laws ▪ Lack of implementation of municipal policies ▪ Lack of adoption of the Communication Strategy ▪ Vehicle testing ground unavailable in the municipality. ▪ Lack or slow implementation of gender related issues. ▪ Inadequate on the job training within the municipality ▪ Over familiarity between staff and council resulting to disrespect ▪ Outdated policies ▪ Undocumented systems and controls ▪ Poor records management ▪ Most ward committees are dis-functional ▪ Lack of branding of the municipality ▪ Poor external communication ▪ Lack of community outreach programmes ▪ Inadequate monitoring and evaluation procedures ▪ Negative image about the municipality ▪ Too many council meetings and sub-committees ▪ Poor succession planning ▪ Poor management and supervision of staff
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	<ul style="list-style-type: none"> ▪ Lack of resources and capacity to develop Community Based Plans at ward level. ▪ Lack of participation of some ward committees in municipal plans. ▪ Lack of implementation or enforcement of municipal by-laws ▪ Lack of implementation of municipal policies ▪ Lack of adoption of the Communication Strategy ▪ Vehicle testing ground unavailable in the municipality. ▪ Lack or slow implementation of gender related issues. ▪ Inadequate on the job training within the municipality ▪ Over familiarity between staff and council resulting to disrespect ▪ Outdated policies ▪ Undocumented systems and controls ▪ Poor records management ▪ Most ward committees are dis-functional ▪ Lack of branding of the municipality ▪ Poor external communication ▪ Lack of community outreach programmes ▪ Inadequate monitoring and evaluation procedures ▪ Negative image about the municipality ▪ Too many council meetings and sub-committees ▪ Poor succession planning ▪ Poor management and supervision of staff ▪
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ SIP2 and SIP11 provides ability to access funding ▪ Water catchment areas e.g. Spring Grove Dam, Midmar Dam etc. ▪ Uncommitted land around the interchanges along the N3 ▪ Review of the Disaster Management Plan ▪ Education, training and public awareness ▪ Pietermaritzburg Capital City provides an opportunity to access government services ▪ The UMDM SEA expanding as a development node ▪ Location of the municipality along tourism route ▪ Branding and marketing of the municipality through tourism ▪ Usage of ICT to boost local economy ▪ Usage of ICT to automate and enhance internal processes ▪ Usage of ICT to accelerate service delivery ▪ Improve citizens life by implementing e-governance 	<ul style="list-style-type: none"> ▪ High levels of subdivision applications lodged within the municipality could lead to loss of agricultural land ▪ Building Inspectorate Office does not have fire proof cabinets ▪ Lawlessness in complying with planning laws ▪ No fire proof cabinets for building plans ▪ Flooding, house fires, veld fires and severe storms have been identified as the highest risks ▪ Illegal developments in disaster prone areas ▪ High staff turnover ▪ Strikes ▪ Worsening staff morale ▪ Implementation of the Human Resources Policy could strengthen the skills capacity and speedily implementation of projects within the municipality. ▪ Electricity theft could have a negative impact on the municipal revenue. ▪ Some landfill sites have reached

<ul style="list-style-type: none"> ▪ Usage of ICT to enhance revenue collection ▪ Training and development of entire municipal personnel ▪ Lack of funds to implement the ICT Master Systems Plan. ▪ The vacant critical positions could lead to the non-functionality of the departments concerned. ▪ High levels of improvement in the delivery of basic services. ▪ The municipality has sufficient water resources to support current and future demand. ▪ Expanded Public Works Programme staff is in place to assist the municipality in achieving its service delivery mandate. ▪ The municipality has satisfactory social services to support the municipal population. ▪ Good understanding and knowledge of the area. ▪ Good understanding of the needs of the community. ▪ Good intellectual value related to infrastructure needs. ▪ Innovation related to unique project firsts; such as, electrification in Eskom license area, electrification of farm communities, and partnership with Hiltonian society housing project, KwaNxamalala tribal authority housing and water conservation, and construction of classrooms. Greenest town waste minimization. ▪ Facilitation of construction of school. ▪ Development of electricity smart metering specifications. ▪ Early implementation of EPWP principles for employment of local labour on projects. ▪ Compilation of business plans resulting in grant funding, lotto, capture site, Main Street, etc. ▪ Implementation of challenging housing projects. ▪ Management of land fill site. ▪ Specialised technology for pothole repairs. ▪ Staff management and leadership in some sections. ▪ Broad networks and contacts with spheres of government and private sector. ▪ Vast experience in local government ▪ Adequate buildings for operations ▪ The high demand for development within the municipality provides an opportunity to increase revenue. ▪ The proposed conversion to smart 	<p>capacity which could cause environmental hazards.</p> <ul style="list-style-type: none"> ▪ Slow implementation of housing projects could cause community unrest. ▪ High levels of demand for development within the municipality could result in the deterioration of infrastructure. ▪ Lack of co-ordination between the district and the municipality could result in delay in implementation of projects. ▪ Total collapse of infrastructure due to years of inadequate infrastructure maintenance ▪ Lack of staff results in demoralised staff ▪ Inadequate staff at higher levels results in errors and compromises compliance ▪ Slow SCM process result in poor service delivery ▪ SDBIP's require more technical alignment to make them more user friendly, this was done years ago, however they were considered to technical and detailed ▪ Service delivery compromised due to over burdening individuals due to lack of skill of others 80/20 theory ▪ Delayed employment of EPWP will compromise grass cutting of verges ▪ Service delivery protests. ▪ Staff turnover ▪ Socio-political instability manifested in protest marches ▪ Infrastructure backlogs ▪ Subdivision of agricultural land could result in loss of agricultural viable land and a risk to the municipal food security. ▪ Lack of capacity to Land Reform beneficiaries. ▪ Illegal trading within the CBD ▪ Lack of appropriate social facilities could lead to social ills. ▪ Mandates that are not controlled by the municipality could lead to community unrest. ▪ Perceived corruption in the municipal finance department. ▪ The lack of addressing AG comments could result in negative audit outcomes. ▪ Inability to implement capital projects ▪ Non-payment of rates and service charges ▪ Lack of spending of grant funding ▪ Inappropriate management of conditional grants ▪ Electricity theft in some areas of the municipality result in loss of revenue ▪ Negative Auditor General opinion] ▪ Claims against the municipality for pothole damages
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<p>metering electricity will curb electricity theft and losses.</p> <ul style="list-style-type: none"> ▪ EPWP grant funding to support maintenance services ▪ Food for waste programme to reduce waste ▪ Business plan applications for funding ▪ Fill vacancies to move to a proactive planned maintenance environment ▪ Withdrawal of Eskom from SLA can opportunity to improve service delivery efficiency. ▪ Grader, TLB, trucks and water cart opportunity to grade gravel roads to planned programme. ▪ Annual municipal r5m planned capital maintenance budget for resurfacing of roads to address maintenance backlogs. ▪ Additional resources will improve community perceptions and increase visibility. ▪ Technical support from the Premiers' office & UMDM ▪ Operation Sukuma Sakhe led by the Premiers' office ▪ Special programmes are a national initiative ▪ Business retention and expansion ▪ Partnering with Chamber of Business ▪ Attraction of foreign direct investments (i.e. aqua culture opportunity) ▪ The establishment of the UMDM Development Agency provides an opportunity to capitalize on catalytic projects. ▪ The municipality has a strong tourism sector which can help boost the economy. ▪ The municipality is strategically located along the N3. ▪ Schools available to promote education as a driver for development ▪ Events hosted in the municipality provide opportunity to enhance tourism. ▪ Promotion of industrial developments in order to increase the rate revenue. ▪ Access to grants and subsidies funding ▪ Implementation of revenue enhancement strategies. ▪ Annual review of the municipal financial plan ▪ AG Report provides an opportunity to achieve a clean audit. ▪ New development areas (to increase rates base) ▪ The district Cluster Model provides for an opportunity to share information with other municipalities. 	<ul style="list-style-type: none"> ▪ Lack of proper stakeholder participation in the development of all municipal plans. ▪ The lack of enforcement of municipal bylaws could result in uncoordinated planning ▪ The lack of implementation of municipal policies ▪ Lack of capacity to Land Reform beneficiaries ▪ Lack of appropriate social facilities could lead to social ills. ▪ Mandates that are not controlled by the municipality could lead to community unrest. ▪ Staff turnover ▪ Service delivery protests ▪ Intra-party disagreements
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<ul style="list-style-type: none">▪ The municipal structures allows for better integrated development planning.▪ Roll out of national and provincial programmes will allow for alignment of issues at different spheres of government.▪ Schools available to promote education as a driver for development	
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Table 42

9. KEY CHALLENGES

Table 40 below outlines the key challenges in the respective KPA's. These challenges amongst other things has informed the strategic objectives of the municipality as will be seen in the later chapters of this document.

KEY PERFORMANCE AREA	KEY CHALLENGES
CROSS CUTTING INTERVENTIONS	<ul style="list-style-type: none"> ▪ Lack of institutional arrangement to implement SPLUMA ▪ Outdated Disaster Management Plan
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	<ul style="list-style-type: none"> ▪ Vacancies ▪ Expired lease agreements and poor record management ▪ Lack of a comprehensive induction programme ▪ Lack of Human Resource Development Strategy ▪ Lack of succession planning
SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	<ul style="list-style-type: none"> ▪ Lack of implementation of housing projects ▪ Electricity distribution ▪ Poor and ageing infrastructure
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	<ul style="list-style-type: none"> ▪ Lack of prioritization of LED projects ▪ High level of unemployment in uMngeni ▪ Outdated LED Strategy ▪ No budget for special programmes. ▪ Inadequate monitoring and evaluation process
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	<ul style="list-style-type: none"> ▪ Electricity losses ▪ Low debt collection ▪ Poor asset management (incl. fleet management)
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	<ul style="list-style-type: none"> ▪ Lack of a Communication strategy ▪ Poor community engagement ▪ Inadequate monitoring and evaluation process ▪ Negative publicity

Table 43

CHAPTER D – VISION, GOALS AND STRATEGIC OBJECTIVES

1. Vision and Mission Statement

1.1 Vision

The national and provincial spheres of government have developed plans that will drive development for at least the next 15 years. The KZN Provincial Growth and Development Strategy has been aligned to the 2030 National Development Plan and as these plans are the cornerstone for development, it is essential that the Municipality takes these into consideration in all planning. The municipality's vision is aligned with the national and provincial strategies and was adopted by council in the last. The municipality's vision was developed in order to help guide in our actions or choices that we will make. Our vision is guided by these basic but fundamental principles:-

- We needed to be clear about the destination (Where)
- We needed to be clear about the direction we need to take to get there (Implementation)
- We needed to be clear on the distance we travelling (Time)
- We needed to be clear on the means of travelling (How)
- Lastly be clear on the where we are to get where want to

“By 2030, uMngeni Municipality will be a people focused, efficient and cost effective municipality able to provide quality services and sustainable socio-economic development.”

The municipality's vision is further guided by four pillars. At the municipal strategic planning session held in November 2015, each municipal department adopted pillars from the municipal vision that will guide each department in their various functions and are listed below:-

Municipal Department	Adopted Pillar
Office of the Municipal Manager	People Focused Efficient and cost effective Quality Services Sustainable socio-economic development
Corporate Services	People Focused Efficient and cost effective Quality Services
Economic Development and Planning	People Focused Quality Services Sustainable socio-economic development
Community Services	People Focused Quality Services Sustainable socio-economic development
Technical Services	Efficient and cost effective Quality Services Sustainable socio-economic development
Finance	Efficient and cost effective

	Quality Services Sustainable socio-economic development
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Table 44

1.2 Mission

In order for the municipality to achieve its vision statement, it will be guided by the following mission statement:

“The uMngeni Municipality will ensure community participation in all projects; improve the skills of the municipal staff; ensure sound financial governance; address infrastructure needs and sustainable service and enhance economic development.”

2. Strategic Goals and Objectives

2.1 Introduction

The uMngeni Municipality last embarked on a strategic planning exercise which was mainly focused on restructuring and developing a new organogram/ organisational structure in March 2012.

From 3-5 November 2014, the municipal council together with the administration conducted a strategic planning session which was instrumental in reviewing IDP goals and strategic objectives. The strategic planning session was further carried out as part of the municipality's performance management process to allow for proper review and planning in order to enhance the Municipality's service delivery efforts. The outcomes of the engagements are to serve as a framework for the Municipality's long term development plan.

Even though these were to be included as part of the last review, it was still essential that the municipality responds to the current government policy framework with the hope that all these will be endorsed by future leadership of the municipality. The Municipality has developed 6 IDP goals and strategic objectives which are aligned to the 7 provincial goals as contained in the PGDS and also aligned to the National Key Performance Areas. Table 40 below reflect on the linkages of the KPA's, KZN PGDS with the IDP Goals.

KEY PERFORMANCE AREAS	PGDS GOALS	IDP GOALS
Cross Cutting	Spatial Equity Environmental Sustainability	Spatial planning and environmental sustainability
Municipal Transformation and Organisational Development	Human Resource Development	Human resource development and management
Basic Service Delivery and Infrastructure Development	Strategic Infrastructure	Promote human settlement and infrastructure development
Local Economic and Social Development	Job Creation Human and Community Development	Transformation of the main economic sectors
Municipal financial viability and management	Governance and Policy	Financially sound and sustainable municipality

Good Governance and Public Participation	Governance and Policy	Good corporate governance
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Table 45

2.2 IDP Goals and Strategic Objectives

uMngeni Municipality last embarked on a strategic planning exercise which was mainly focused on restructuring and developing a new organogram.

Table 42 below provides an outline of the reviewed municipal goals and strategic objectives that are linked to the 6 Key Performance Areas.

KEY PERFORMANCE AREA	IDP GOAL	STRATEGIES OBJECTIVE
Municipal Transformation and Institutional Development	1. Human resource development and management	<ul style="list-style-type: none"> ▪ Good labour relations ▪ Effective implementation of the employment equity plan ▪ Implementation of the Work Place Skills Plan ▪ Development and implementation of a succession plan ▪ Development and implementation of a retention strategy ▪ Youth career pathing services
Good Governance and Public Participation	2. Good corporate governance	<ul style="list-style-type: none"> ▪ Effective information communication and technology solutions ▪ Law enforcement which includes bylaws and traffic laws ▪ Strengthened oversight functions ▪ Active community structures
Local Economic Development	3. Sustainable socio-economic development	<ul style="list-style-type: none"> ▪ Management of roads and storm water infrastructure ▪ Construction and extension of electricity network to businesses ▪ Stimulation of economic growth for job opportunities and investment

		<ul style="list-style-type: none"> ▪ Enhance tourism development ▪ Provision of support to the business sector ▪ Coordination of agricultural development ▪ Social Development Programmes
Basic Service Delivery	4. Promote human settlements and infrastructure development	<ul style="list-style-type: none"> ▪ Provision and management of sustainable housing ▪ Construction of roads and storm water infrastructure ▪ Construction and extension of electricity network to all households ▪ Provision and management of cemeteries ▪ Comprehensive waste management ▪ Management of all public open spaces, including parks and gardens
Municipal Financial Viability and Financial Management	5. Financially sound and sustainable municipality	<ul style="list-style-type: none"> ▪ Increased revenue collection and ensure that all municipal revenue is accounted for ▪ Effective budget preparation and implementation ▪ Effective, efficient and transparent procurement of goods and services
Cross Cutting	6. Spatial planning and environmental sustainability	<ul style="list-style-type: none"> ▪ Integrated development and spatial planning

Table 46

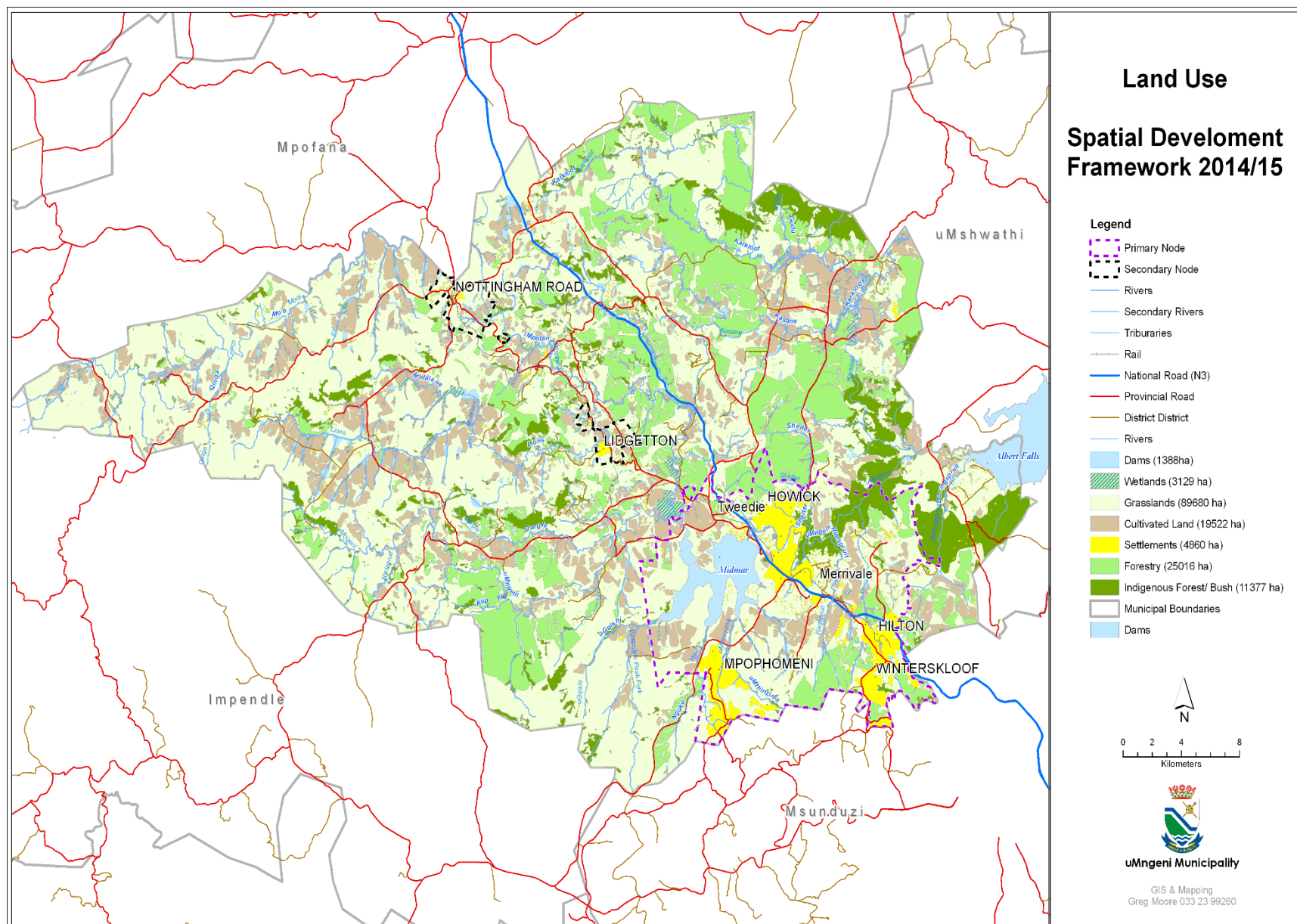
2.3 Values

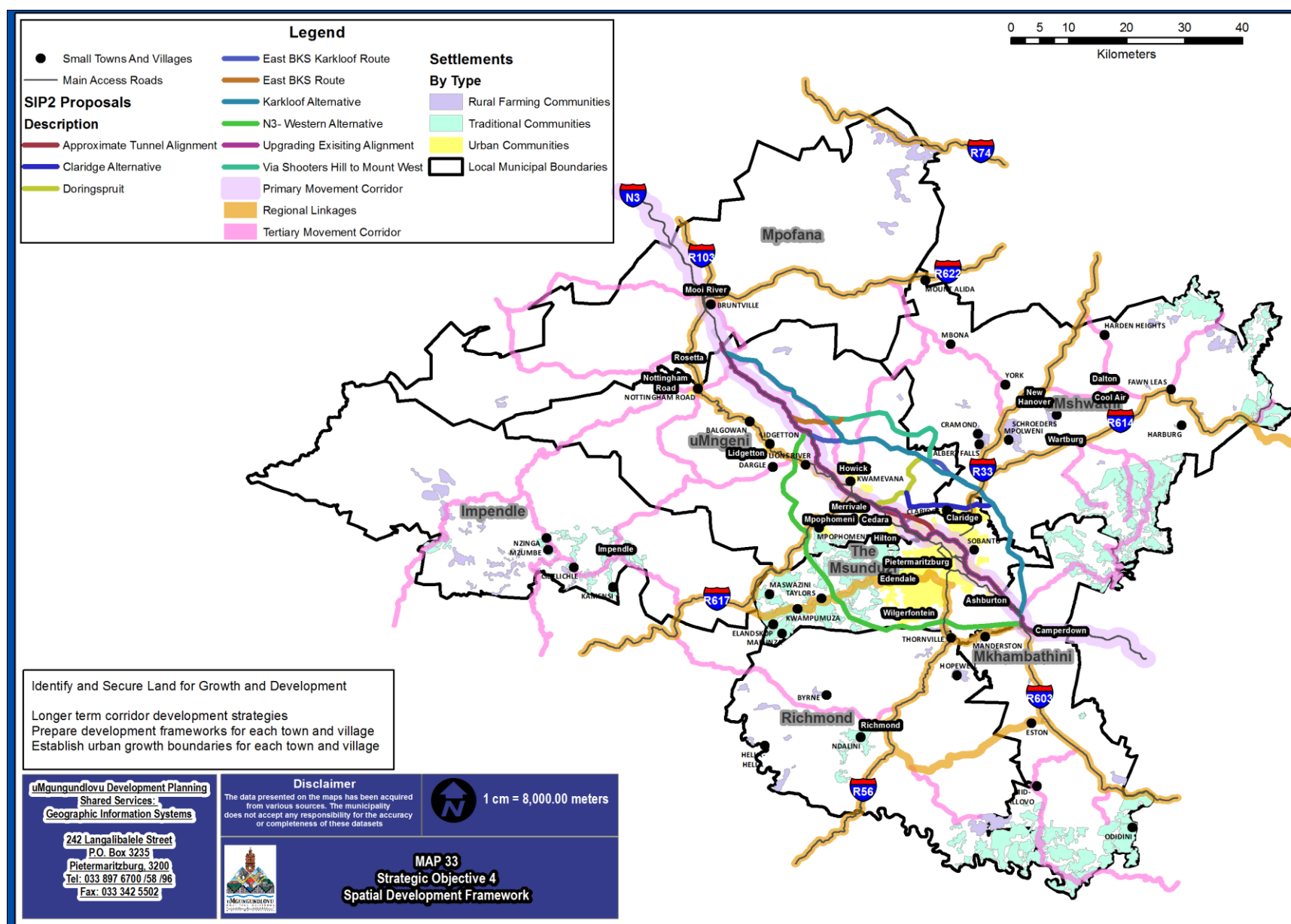
Having developed the goals and strategic objectives of the municipality, it was therefore necessary that the values be developed in order to build a culture that would enable achievement of the said goals and objectives. These values have already been communicated to the various structures of the municipality and will be communicated to all the staff members of the administration.

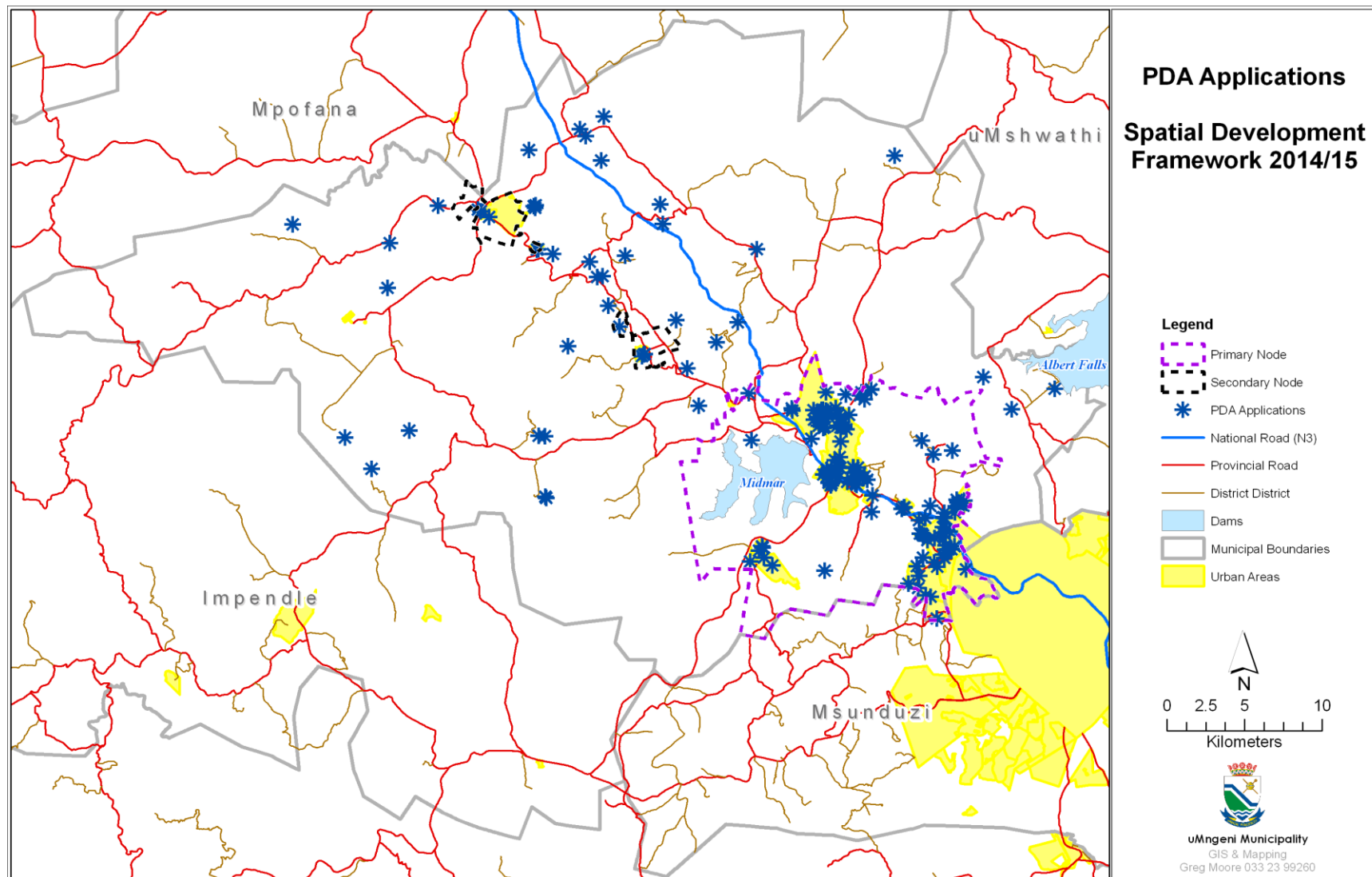
Figure 11: Municipal Values

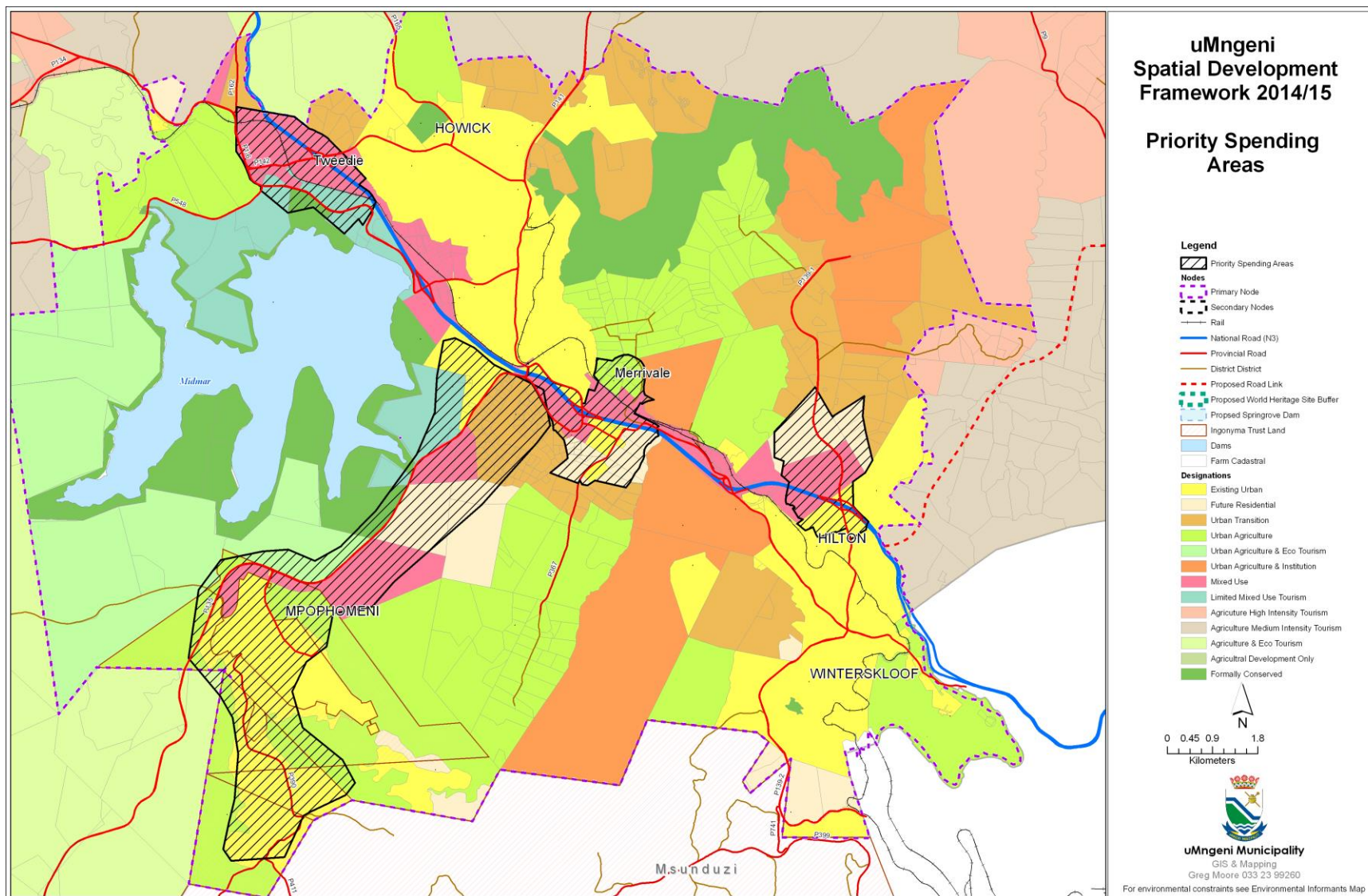


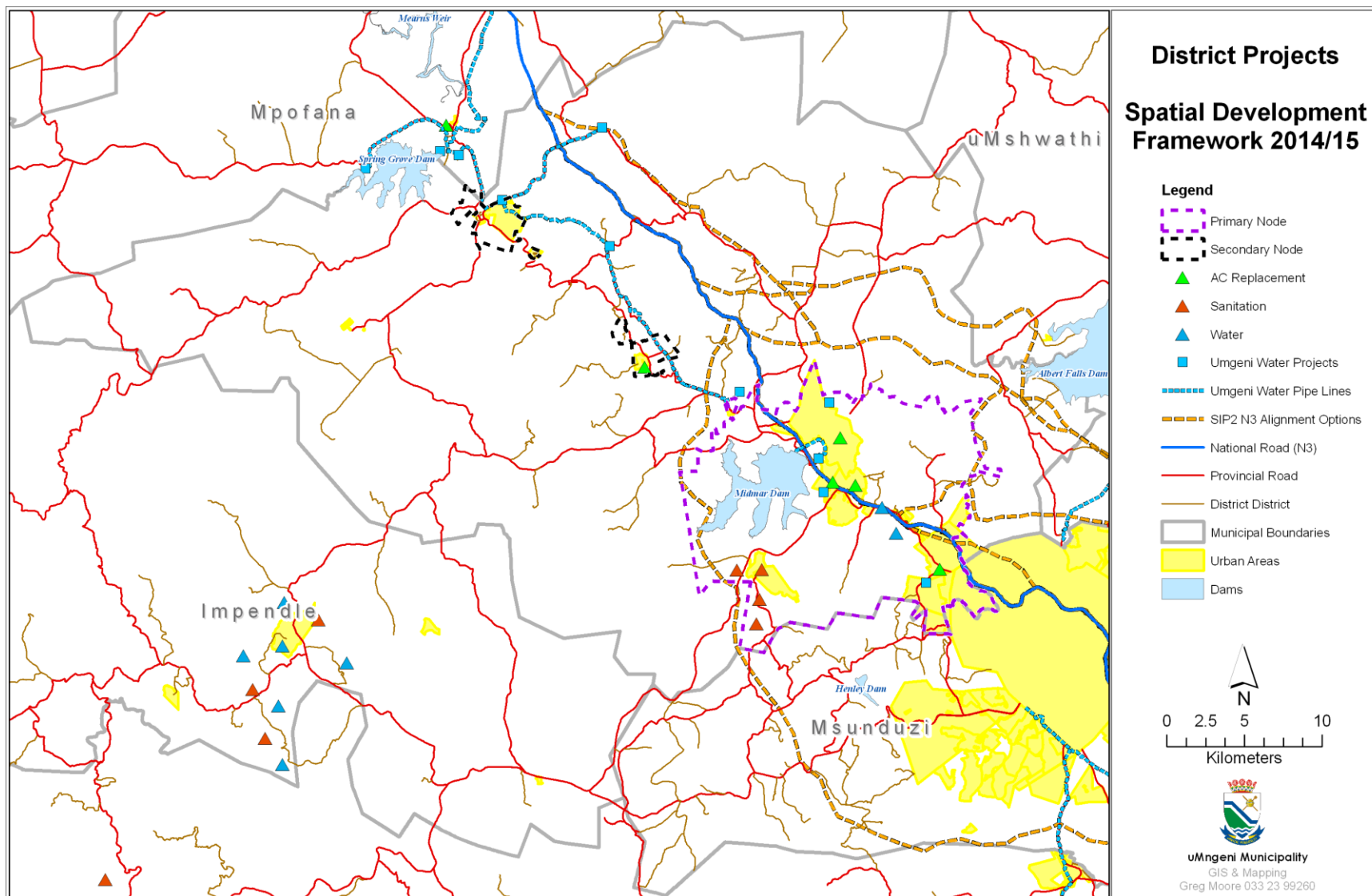


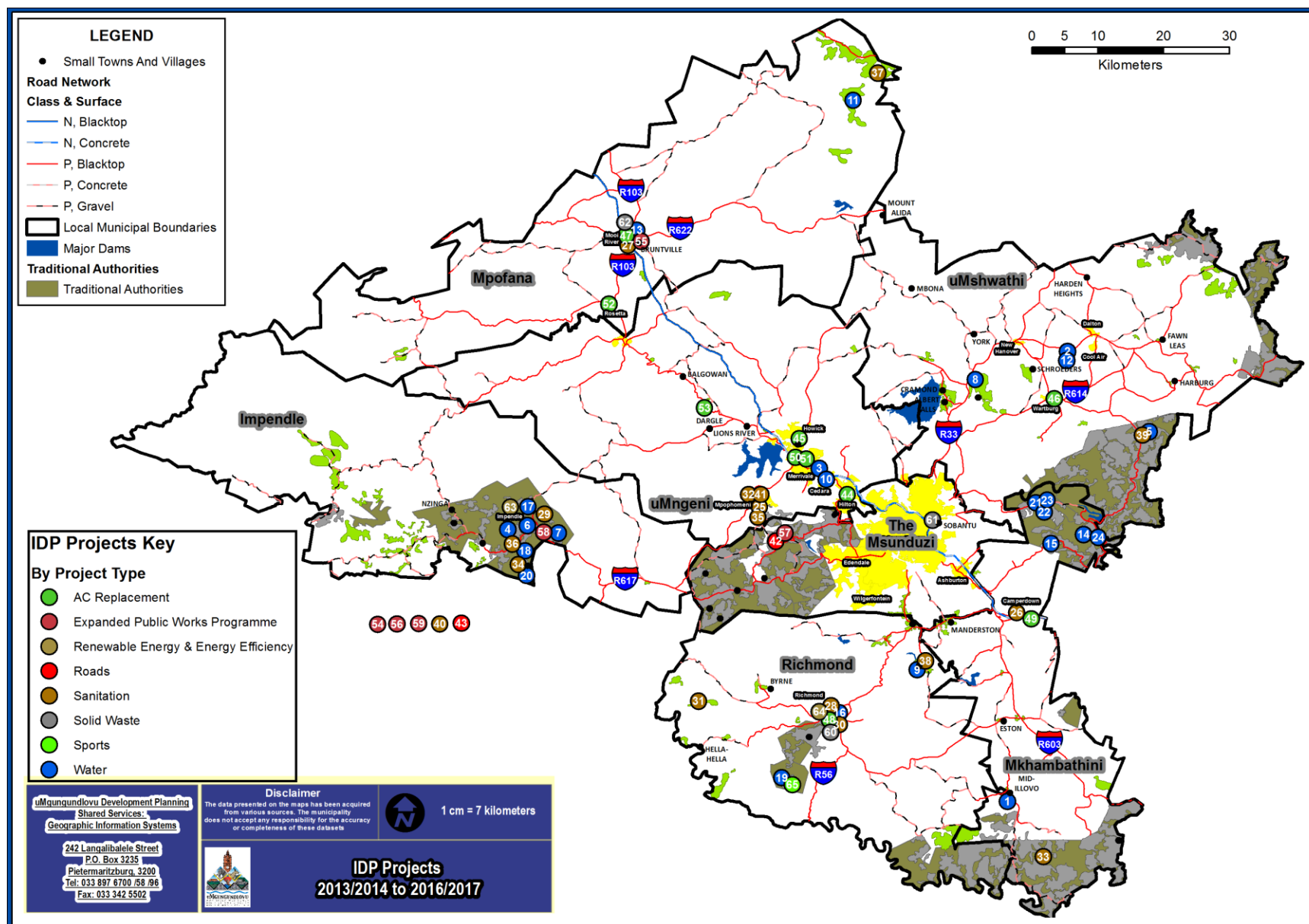


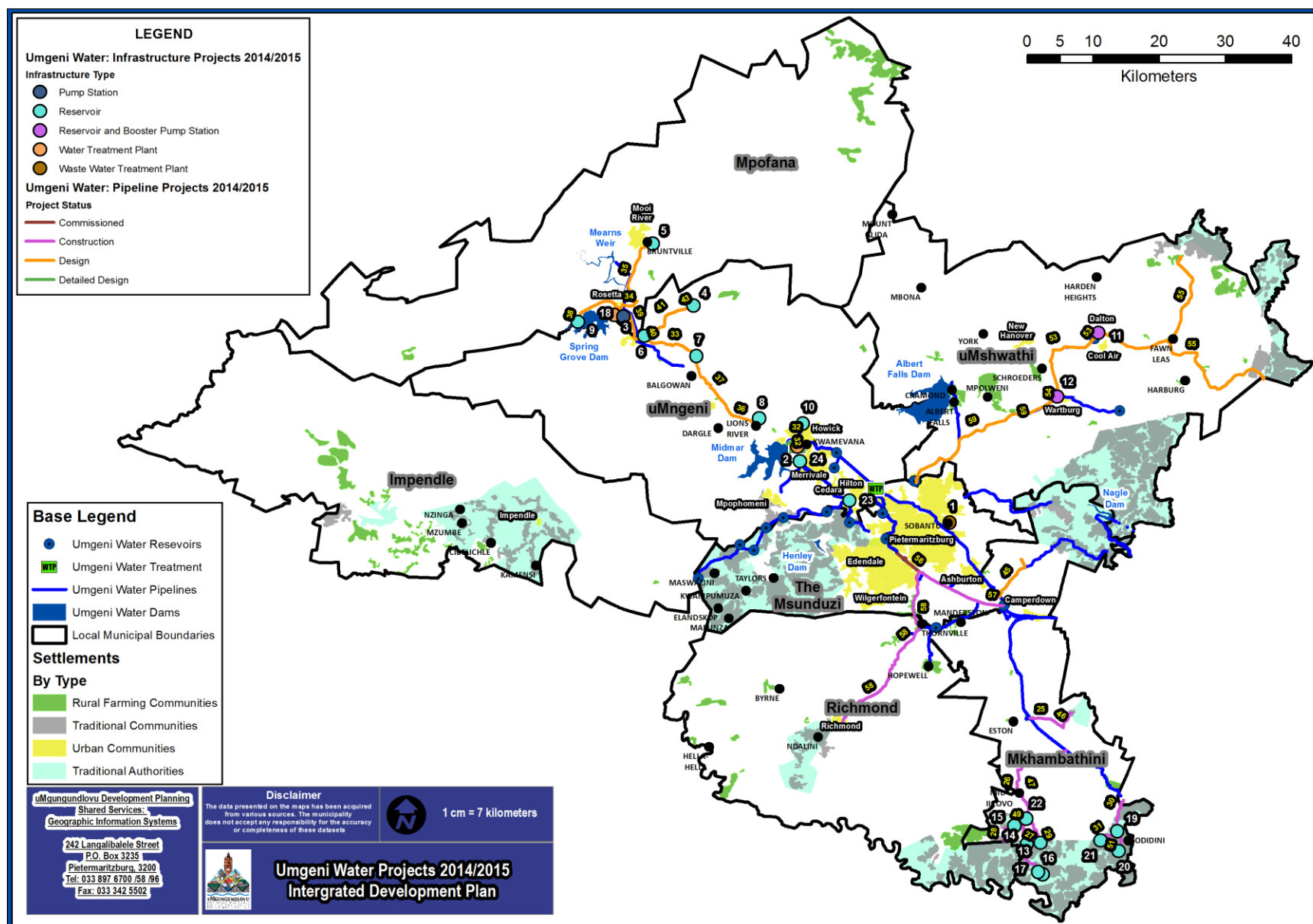












2. Three Year Implementation Plan

The implementation plan is a lists of projects and programmes which responds to the IDP goals and strategic objectives of the municipality for implementation over the next three years.

Key Performance Area: Cross Cutting Interventions										
Strategic Goal: Spatial planning and environmental sustainability										
Project Ref. No.	Project Description	Ward	Estimated Cost (R'000)	Funding Source	Budget (R'000)	Status	Cost Breakdown (R'000)			Responsibility in municipality
							2015/2016	2016/2017	2017/2018	
Strategic Objective 1: Integrated development and spatial planning										
	uMngeni SDF Review	All		uMngeni LM		Reviewed in 2013/2014	250			GM: Economic Development and Planning
	Merrivale to Tweedie Interchange Master Plan	7,9,12		COGTA (SIP2)		Funding required	500			GM: Economic Development and Planning
	Disaster Management	All	500	uMngeni LM		Plan to be reviewed by June 2015	500			GM: Community Services
Strategic Objective 2: Conservation and management of natural resources										
	uMngeni Strategic Environmental Assessment	All	300	uMngeni LM		Outdated	300			GM: Economic Development and Planning
	uMngeni Catchment Management Plan	All		uMngeni LM						GM: Economic Development and Planning
	Invasive Alien Species			Dept. of Economic Development, Tourism and Environmental Affairs		Ongoing				GM: Technical Services
	Environmental Awareness and Capacity Building	All	280	Dept. of Economic Development,	280	Budget allocation at a	280	280	300	GM: Technical Services

				Tourism and Environmental Affairs		district level				
	Urban Greening	All	320	Dept. of Economic Development, Tourism and Environmental Affairs	320	Budget allocation at a district level	320	350	350	GM: Technical Services

Key Performance Area: Local Economic Development**Strategic Goal:** Sustainable socio-economic development

Project Ref. No.	Project Description	Ward	Estimated Cost (R'000)	Funding Source	Budget (R'000)	Status	Cost Breakdown (R'000)			Responsibility in municipality
							2015/2016	2016/2017	2017/2018	
Strategic Objective 1: Management of roads and storm water infrastructure										
	St. Josephs sidewalks	9		DOT		Funding required				GM: Technical Services
	Link Road Feasibility Study	9		uMngeni LM		Complete – Phase 1				GM: Technical Services
Strategic Objective 2: Construction and extension of electricity network to businesses										
	Increase electricity supply in Howick (Greendale sub-station upgrade)	2	13,000	uMngeni LM		Planning	13,000			GM: Technical Services
	Energy Sector		500	uMngeni LM			500			
Strategic Objective 3: Stimulation of economic growth for job opportunities and investment										
	Howick Falls and CBD Precinct Plan	2		uMngeni LM		Planning		500		GM: Economic Development and Planning

	LED Plan Review	n/a		uMngeni LM		To be reviewed internal				GM: Economic Development and Planning
	Industrial Development Incentive Scheme Review	n/a		uMngeni LM		To be reviewed by 30 April				GM: Economic Development and Planning
Strategic Objective 4: Enhance tourism development										
	Tourism Node and CBD landscaping programme			uMngeni LM		Planning				GM: Economic Development and Planning
	Nelson Mandela Capture Site Monument Phase 2	9		COGTA		Phase 2 to be completed by June 2015				GM: Economic Development and Planning
	Mpophomeni Tourism Gateway			Lotto		99% complete				GM: Economic Development and Planning
	Tourism Development Strategy	n/a		uMngeni LM District Economic Development Agency		Planning				GM: Economic Development and Planning
	Tourism and Investment Promotion Brochure	n/a		uMngeni LM		Budgeted for in 2015/2016	50			GM: Economic Development and Planning
	Hilton Steam Railway Rejuvenation	12		COGTA		Still awaiting approval by COGTA				GM: Economic Development and Planning
	Mandela Capture Municipal Agency			uMngeni LM		Conceptualisation stage				
Strategic Objective 5: Provision of support to the business sector										
	SMME and Cooperatives Capacity Building	All	200	uMngeni LM		Ongoing	200			GM: Economic Development and Planning
	Business Support and Retention Study	All		TKZN		Underway				GM: Economic Development and Planning

	Stockowners Business Park		147,000	COGTA & UMDM		Infrastructure required				
	Incubation Facility									
Strategic Objective 6: Coordination of agricultural development										
	Agricultural Sector Plan	All		Dept of Agriculture & uMngeni LM		Municipality will liaise with the department for the development of the plan				GM: Economic Development and Planning
	Land for agricultural development	4	TBD	Dept of Agriculture		Engagements with Dept of Agriculture ongoing				GM: Economic Development and Planning
Strategic Objective 7: Social development programmes										
	Implementation of OSS	All		uMngeni LM		Ongoing coordination by municipality				Office of the Municipal Manager
	Howick Museum and Activity Room	2	400	Dept. of Art and Culture		Initiation				GM: Community Services
	Aids Orphanage Centre	TBD		Dept. of Health		Planning				GM: Community Services
	Nelson Mandela marathon community activation programme	All	250	uMngeni LM		To be implemented in the next financial year	250			Office of the Municipal Manager
	uMngeni ABC Walk	All	150	uMngeni LM		To be implemented in the next financial year	150			Office of the Municipal Manager
	Mayors Back to School Campaign	All	30	uMngeni LM		To be implemented in the next financial year	30			Office of the Municipal Manager

	Special Programmes	All	279	uMngeni LM		To be implemented in the next financial year	279			Office of the Municipal Manager
	Food for Waste	All		COGTA DTI						Office of the Municipal Manager
	Community Hall	8	TBD	Public Works		Planning				GM: Corporate Services
	eMashingeni Crèche 8		TBD	uMngeni LM		Planning				GM: Community Services
	Jungle Gym	4	TDB	uMngeni LM		Planning				GM: Community Services

Key Performance Area: Municipal Transformation and Institutional Development

Strategic Goal: Human resource development and management

Project Ref. No.	Project Description	Ward	Estimated Cost (R'000)	Funding Source	Budgeted (R'000)	Status	Cost Breakdown (R'000)			Responsibility in municipality
							2015/2016	2016/2017	2017/2018	

Strategic Objective 1: Good labour relations

	Staff wellness	n/a	100	uMngeni LM	100	To be implemented in the next financial year	100			Office of the Municipal Manager

Strategic Objective 2: Effective implementation of the employment equity plan

Strategic Objective 4: Implementation of a human resource management strategy

	Human Resource Development Strategy			uMngeni LM		Underway				GM: Corporate Services
Strategic Objective 6: Youth career pathing services										
	NYDA youth build programme	All	4,000	NYDA uMngeni LM – counterfunding	2,000	Counter funding required from municipality	2,000			Office of the Municipal Manager
	Youth outreach programme	All	500	uMngeni LM		To be implemented in the next financial year	500			Office of the Municipal Manager
	Provision of career development services	All	500	uMngeni LM		To be implemented in the next financial year	500			Office of the Municipal Manager
	Sports Development	All	500	uMngeni LM		To be implemented in the next financial year	500			Office of the Municipal Manager
	TVET College	10	TBC	Dept of Justice		Planning				GM: Community Services
	TVET College – Satellite Campus	12	15,000	Services SETA		Planning	15,000			GM: Community Services
	Youth Jobs and in Waste	All		National Environmental Affairs		Planning				Office of the Municipal Manager
	Community Library	4	TBD	Dept of Education		Planning				GM: Community Services
	Community Computer Training Centre	4	TDB	Dept of Education		Planning				GM: Community Services

Key Performance Area: Municipal financial viability and financial management										
Strategic Goal: Financially sound and sustainable municipality										
Project Ref. No.	Project Description	Ward	Estimated Cost (R'000)	Funding Source	Budget (R'000)	Status	Cost Breakdown (R'000)			Responsibility in municipality
							2015/2016	2016/2017	2017/2018	
Strategic Objective 1: Increased revenue collection and ensuring that all municipal revenue is accounted for										
	Revenue Strategy		n/a	uMngeni LM	n/a	To be developed internally				CFO
Strategic Objective 2: Effective budget preparation and implementation										
Strategic Objective 3: Effective, efficient and transparent procurement of goods and services										
	SCM Policy Review	n/a	n/a	uMngeni LM		To be reviewed internally				CFO

Key Performance Area: Good governance and public participation										
Strategic Goal: Good corporate governance										
Project Ref. No.	Project Description	Ward	Estimated Cost (R'000)	Funding Source	Budget (R'000)	Status	Cost Breakdown (R'000)			Responsibility in municipality
							2015/2016	2016/2017	2017/2018	
Strategic Objective 1: Effective information communication and technology solutions										
	Migration to thin Client	n/a		uMngeni LM		Planning				GM: Corporate Services
	Deployment of an ERP System	n/a		uMngeni LM		Planning				GM: Corporate Services

Strategic Objective 4: Active community structures										
	Functionality of ward committees	All	300	MSIG		Ongoing		300		Office of the Municipal Manager
	Community Satisfaction Survey	All	TBD	uMngeni LM		Planning				Office of the Municipal Manager
	Complaint Management System	All	TBD	uMngeni LM		Budget required				Office of the Municipal Manager
	Call Centre Refurbishment	2	200	uMngeni LM		To be implemented in the next financial year	200			GM: Technical Services
	Men's Forum	4	TBD	uMngeni LM		Planning				GM: Community Services
	Women's Forum	4	TBD	uMngeni LM		Planning				GM: Community Services
	Sports Festival	4	TBD	uMngeni LM		Planning				Office of the Municipal Manager
	Senior Citizens Christmas Function	4	TBD	uMngeni LM		Planning				GM: Community Services

Key Performance Area: Basic Service Delivery										
Strategic Goal: Promote human settlements and infrastructure development										
Project Ref. No.	Project Description	Ward	Estimated Cost (R'000)	Funding Source	Budget (R'000)	Status	Cost Breakdown (R'000)			Responsibility in municipality
							2015/2016	2016/2017	2017/2018	
Strategic Objective 1: Provision and management of sustainable human settlement										
	Hiltonian Housing	12		Dept of Human Settlement		Construction				GM: Community Services
	Cedara Housing	7		Dept of Human Settlement		Construction	8,000	20,000	7,800	GM: Community Services

	Khayelisha Housing	8		Dept of Human Settlement		Infrastructure for storm water is complete				GM: Community Services
	Zenzani Housing	3		Dept of Human Settlement						GM: Community Services
	Nottingham Road / Hillside Housing	3		Dept of Human Settlement						GM: Community Services
	Gowrie Housing	3		Dept of Human Settlement						GM: Community Services
	Fourdone Housing	3		Dept of Human Settlement						GM: Community Services
	Karkloof Farm Housing	5 & 6		Dept of Human Settlement						GM: Community Services
	Yarrow Housing	5		Dept of Human Settlement						GM: Community Services
	St. Josephs Housing	6		Dept of Human Settlement		Appointment of Implementing Agent required		200		GM: Community Services
	KwaNxamalala Housing	9		Dept of Human Settlement		100% complete				GM: Community Services
	Lions River Phase 2 and 3 Housing	9		Dept of Human Settlement		Initiation			700	GM: Community Services
	Calbourne Housing	6		Dept of Human Settlement						GM: Community Services
	Dargle Housing	3		Dept of Human Settlement						GM: Community Services
	Lutchman / Sookan Housing	4		Dept of Human Settlement		Appointment of Implementing Agent required			300	GM: Community Services

	KwaMevana Housing	12		Dept of Human Settlement						GM: Community Services
	Tumbleweed			Dept of Human Settlement		Insitu upgrade land invaded				
	Fairfield Farm Dwelling	4		Private & Dept of Human Settlement		Initiation				GM: Community Services
	Housing Sector Plan	All		Dept of Human Settlement		Outdated				GM: Community Services
	Nottingham Road Community Hall	3	1000	uMngeni LM						GM: Corporate Services
	Hilton N3 Corridor Development Water and Waste Water Services	7	301,413	UMDM		Phase 1: No EIA required only an EMP Phase 2: EIA application has been submitted, awaiting feedback from DAEA				GM: Technical Services
	Kwa Haza, KwaChief & Enguga Water Supply Scheme	9	23,019	UMDM		ROD has been received				GM: Technical Services
	Cedara/Khanya Village – construction of bulk water supply	7	17,281	UMDM		EIA process has commenced				GM: Technical Services
	Khayelisha Bulk Water Supply – construction of bulk water supply	7	13,093	UMDM		EIA Required				GM: Technical Services
	Howick AC Pipe Replacement	7	155,617	UMDM		This project is on hold due to financial challenges				GM: Technical Services

	Hilton AC Pipe Replacement	7	117,546	UMDM						GM: Technical Services
	Merrivale & Merrivale Height AC Pipe Replacement	7	19,771	UMDM						GM: Technical Services
	Lions River & Lidgeton Bulk Water Supply Upgrade	4,5 & 9	19,761	UMDM		EIA required				GM: Technical Services
	Birnam Wood Water Supply Upgrade	TBA		UMDM						GM: Technical Services
	Cedara/Khanya Village – construction of bulk sewer	7	18, 621	UMDM		EIA process has commenced				GM: Technical Services
	Haza Ward 9 Sanitation - construction of VIP sanitation	9	21,521	UMDM		Project complete				GM: Technical Services
	Khayelisha Pump Station	10	13, 093	UMDM		The overall project is 99% complete and the electrical works has reached a stage of practical completion.				GM: Technical Services
	Mpophomeni Waste Water Works - Massification	10	138,603	UMDM		The RoD has been received from DAEA. The Water Use Licence Application (WULA) has been submitted to DWS Regional Office. Tendering processes can only commence				GM: Technical Services

						once WULA is in place.				
	Midmar Water Treatment Plant Upgrade	12	245,001	uMgeni Water	80,000	Tender has been recommended for award. Anticipated date of completion is Apr 2017.	80,000	81,661	59,000	GM: Technical Services
	Howick North Reservoir Upgrade	5	17,000	uMgeni Water		Project commission				GM: Technical Services
	Howick West Reservoir Upgrade	7 (including beneficiaries from ward 5)	17,000	uMgeni Water	7,400	Project scope has been changed to 16ML due to increasing water demands. Tender progress in progress. Programme is in the process of being amended to reflect the change in scope.	7,400	7,400	2,040	GM: Technical Services
	Groenekloof Reservoir Upgrade	6 & 7	12,000	uMgeni Water						GM: Technical Services
	Lidgetton Community Clinic	4	TBD	Dept of Health						GM: Community Services
Strategic Objective 2: Construction of roads and storm water infrastructure										
	uMgeni municipal road and stormwater	All	100,000	TBD						GM: Technical Services

	uMgeni Widening Bridge	2		uMngeni LM						GM: Technical Services
	Maintenance and upgrade of municipal roads	All		uMngeni LM						GM: Technical Services
	Mpophomeni roads and stormwater	8, 9, 10 & 11	10,000	MIG		Business plan submitted to MIG	10,000			GM: Technical Services
	D390			uMngeni LM						GM: Technical Services
	Midlands Roads – Zenzani, Lidgeton West, Lions River, Tumbleweed, Emandleni, Hiltonian Society and Siphumelele	2,3,4,7,97,12	7,000	MIG		Business plan submitted to MIG	7,000			GM: Technical Services
	Cedara	7		uMngeni LM						GM: Technical Services
	N3 corridor link over uMgeni			uMngeni LM						GM: Technical Services
	N3 corridor Tweedie Interchange			uMngeni LM						GM: Technical Services
	Siphumelele			uMngeni LM						GM: Technical Services
	Nottingham Road	3		uMngeni LM						GM: Technical Services
	Link road from Baron road to D292			uMngeni LM						GM: Technical Services
	Symonds street extension	2		uMngeni LM						GM: Technical Services
	Buchanan road extension	2		uMngeni LM						GM: Technical Services
	Roads and stormwater upgrade and maintenance plan			uMngeni LM						GM: Technical Services
	Midlands Meander road network			uMngeni LM						GM: Technical Services

	upgrade and maintenance plan									
	Roads and Public Transport Facilities Plan			uMngeni LM						GM: Technical Services
	Nottingham to Dargle tar road			uMngeni LM						GM: Technical Services
	Dargle to Impendle tar road			uMngeni LM						GM: Technical Services
	Curry's Post to Mount West tar road			uMngeni LM						GM: Technical Services
	Birnamwood road tarring	7		uMngeni LM						GM: Technical Services
	Howick West and KwaMevana pedestrian bridge	1 & 2		uMngeni LM						GM: Technical Services
	Tweedie Interchange upgrade	9		uMngeni LM						GM: Technical Services
	Signalization of N3 off-ramp and Hilton Gardens	6 & 7		uMngeni LM						GM: Technical Services
	Nottingham Road Taxi Rank	3		uMngeni LM						GM: Technical Services
	Bus Shelter at Taxi Rank	10		uMngeni LM						GM: Technical Services
	Gamaletu Causeway		2,000	DOT	2,000		2,000			GM: Technical Services
	Regravelling of P144		1,800	DOT	1,800		1,800			GM: Technical Services
	Regravelling of P548		4,800	DOT	4,800		4,800			GM: Technical Services
	Regravelling of P162		1,200	DOT	1,200		1,200			GM: Technical Services
	Regravelling of D494		1,625	DOT	1,625		1,625			GM: Technical Services
	Regravelling of D734		800	DOT	800		800			GM: Technical Services
	Regravelling of D735		1,100	DOT	1,100		1,100			GM: Technical Services

	Regravelling of P133		4,000	DOT	4,000		4,000			GM: Technical Services
	Regravelling of D290		2,800	DOT	2,800		2,800			GM: Technical Services
	Rehabilitation - MR 139-1 : N3 to Hilton College		TBD	DOT	TBD					GM: Technical Services
	Rehabilitation - MR 1-6 : Howick to Nottingham Road		TBD	DOT	TBD					GM: Technical Services
	Rehabilitation - MR 139-1 : N3 to Hilton College		TBD	DOT	TBD					GM: Technical Services
	Rehabilitation - MR 367 : Xways to N3		TBD	DOT	TBD					GM: Technical Services
	Rehabilitation - MR 165 : Howick to Currys Post – Sections only		TBD	DOT	TBD					GM: Technical Services
	Khayelisha roads and storm water (construction)	7	4,000	MIG		Business plan submitted to MIG	4,000			GM: Technical Services
	Mpophomeni Sportsfield Phase II		1,500	MIG		Phase 1 is underway and a business plan has been submitted for the 2 nd phase		1,500		GM: Technical Services
	Lidgeton West Sportsfield – construct sportsfield and combi court subject to counter funding	3	2,000	MIG uMngeni Municipality						GM: Technical Services

	Mandela Capture Site – construction of access road and storm water	9	9,000	MIG						GM: Technical Services
Strategic Objective 3: Construction and extension of electricity network to all households										
	Domestic pre-paid conversion	All	TBD	uMngeni LM						GM: Technical Services
	Electricity extension - Hawkstone	6	TBD	Eskom						GM: Technical Services
	Electricity extension - Dunmarie Primary School community	6	TBD	Eskom						GM: Technical Services
	Electricity extension – Triandra	5	TBD	Eskom						GM: Technical Services
	Electricity extension – Karkloof	5 & 6	TBD	Eskom						GM: Technical Services
	Electricity extension - Zenzani	3	TBD	Eskom						GM: Technical Services
	Electricity extension - Sherwood	4	TBD	Eskom						GM: Technical Services
	Electricity extension - KwaNxamala	9	TBD	Eskom						GM: Technical Services
	Electricity extension – Lutchman	4	TBD	Eskom						GM: Technical Services
	Electricity extension – Lemonwood		TBD	Eskom						GM: Technical Services
	Electricity extension - Colbourne	5	TBD	Eskom						GM: Technical Services
	Electricity extension – Nottingham Road	3	TBD	Eskom						GM: Technical Services
	Electricity extension – St. Josephs	6	TBD	Eskom						GM: Technical Services
	Electricity extension – Hiltonian Society	6 & 7	TBD	Eskom						GM: Technical Services
	Electricity extension – Khayelisha Housing	7	TBD	Eskom						GM: Technical Services
	Electricity extension - Cedara	7	TBD	Eskom						GM: Technical Services
	Greendale Howick bulk electricity upgrade – construct	2	13,000							

	substation and switch gear 300mm 2 cable									
Strategic Objective 4: Provision and management of cemeteries										
	Crematorium and Cemetery establishment	5	TDB	UMDM						GM: Technical Services
Strategic Objective 5: Comprehensive waste management										
	Curry's Post Landfill Site Weigh Bridge	4	500	UMDM						GM: Technical Services
	Integrated waste management plan (IWMP)	All	TDB	UMDM & uMngeni LM						GM: Technical Services
Strategic Objective 6: Management of public open spaces including parks and gardens										
	Provision of Street Lighting	All	TBD	uMngeni LM						GM: Technical Services
	Swimming pool upgrade	2		uMngeni LM						GM: Technical

CHAPTER F – FINANCIAL PLAN *(The Financial Plan will be updated for the Final IDP Review.)*

1. Introduction

The uMngeni Municipality's main mission is to provide the community it serves with the best service possible. To do that the municipality requires the best financial management which will result in an increase in revenue. The plans and objectives which will contribute positively to the municipality's mission statement (providing quality service) will be detailed in this portfolio. One of the biggest challenges of this financial plan is matching increased service demands with a relatively stagnant revenue basis. This is further aggravated by the challenges of joblessness and HIV-ravaged households where the latter, more than often, are child-headed households.

These challenges make the need for realistic and timeous financial planning even more critical. The Financial Plan is necessarily informed by available resources and therefore also victim of resource limits. This contradicts strongly with demands of the Strategic Plan which is visionary and goal oriented, striving to achieve an improved quality of life for all the residents and communities in the uMngeni Municipality. However, a Strategic Plan without the support of a disciplined Financial Plan is ultimately doomed as unattainable. The Financial Plan provides the framework within which human challenges can be addressed in a realistic and often incremental manner based on the available resources. It steers away from creating unrealistic expectations, frustrations and anger.

The uMngeni Municipality is faced with the awesome task of eradicating its backlogs in service provision. This would require massive resources to address. It is now paramount to concentrate on the financial planning part of this IDP to determine how and when these backlogs can be addressed on a sustainable basis and within the context of available resources.

The uMngeni budget is MFMA compliant with principles of the MFMA now fully introduced and entrenched in the Municipality's financial affairs. Yet, the municipality needs to address its financial challenges on the following basis:

- Further improving the Municipality's image by using the new procedures to enhance service delivery.
- Ensuring that the systems introduced continuously improve during the year.
- Improving the Municipality's cash flow position.
- Introducing efficiency measures to provide resources to ensure value for money for taxpayers.
- Further enhancing public participation in the next budget cycle.
- Continuing to improve on information provided to decision makers.
- Ensuring that growth in service is more closely aligned with citizens expectations.
- Adjusting the organization in line with information produced from the performance management system.

2. Operating and Capital Budget Estimates

The five year financial plan includes an Operating Budget and the Capital Investment Programme per source of funding for the five years ending June 2018.

2.1 Budget Assumptions

The selected key assumptions relating to this budget are as follows:

- Government grants for the years 2014/2015 to 2015/2016 are as per the Division of the Revenue Act.
- The inflation rate has been estimated at about 5% per annum.
- Salary and wage bill growth has been provided for in the budget at 6.85% per annum
- The budget is based on current service levels and makes a provision for major expansion of services into the rural areas.
- Electricity tariff increases for 2014/15 are based on the NERSA approved tariffs.

2.2 Operating Budget Estimates

Below is the operating budget estimate for the next four years starting from 01 July 2014 to 30 June 2017.

Revenue source	by	Budget 14/15	Budget 15/16	Budget 16/17
Property Rates		126,896,080.00	135,348,468.00	140,970,886.00
Property rates – penalties and collection charges		6,000,000.00	4,839,935	5,101,291.00
Service charges – electricity revenue		56,137,847.00	59,477,276.00	61,736,786.00
Service charges – refuse revenue		4,946,015.00	5,291,299.16	5,660,703.00
Rental of facilities and equipment		842,845.00	952,710	1,004,205.00
Interest earned – external investments		900,000.00	948,600.00	999,824.00
Interest earned – outstanding debtors		1,727,885.00	1,821,191.00	1,919,535.00
Fines		9,694,314.00	10,948,770.00	11,540,003.00
Licenses and permits		2,292,252.00	2,416,321.00	2,546,803.00
Transfers recognized operational	-	47,314,000.00	51,646,000.00	53,770,000.00
Other revenue		7,347,699.00	8,831,297.00	7,928,793.00
NET OPERATING INCOME		264,126,210.00	282,521,867.00	293,205,829.23

Table 47

Expenditure by source	Budget 14/15	Budget 15/16	Budget 16/17
Employee related costs	80,740,833.00	84,254,854.00	89,582,859.00
Remuneration of councillors	6,127,351.06	6,494,992.12	6,819,741.73
Debt impairment	7,846,516.00	8,318,000.00	8,817,000.00
Depreciation and Asset impairment	10,675,260.00	11,291,714.00	11,944,258.00
Finance charges	4,498,865.00	4,560,265.00	4,833,880.00
Bulk charges	65,681,000.00	69,622,000.00	73,799,000.00
Contracted services	9,218,813.00	9,716,628.00	10,240,372.24
Transfer Grants	7,085,000.00	7,899,000.00	7,394,000.00
Other expenditure	65,411,000.00	62,207,749.00	65,860,036.58
NET OPERATING EXPENDITURE	259,284,638.06	264,365,203.12	279,291,147.55

Table 48

The most significant source of internal income is the income from rates and services. The collection rate for the rates and services income still requires a lot of improvement to ensure the achievement of the service delivery targets. The uMngeni Municipality is implementing the credit control policy to ensure that this is achieved and that all outstanding debts are collected.

2.3 Capital Budget Estimates

Table Capital Budget Estimates – Funding by source

Capital funding source R thousand	2014/2015 R000	2015/2016 R000	2016/2017 R000
National Government	21 429	22 868	
UMDM			
Capital Replacement Reserves	13 381	15 610	
External Loans	0	0	0
Total funding of Capital Expenditure	34810	38478	

Table 49

Table: Capital Budget Estimate – Funding by Department

	2014/2015 R000	2015/2016 R000	2016/2017 R000
Property Services			
Library			
Museum	400	500	
Community Halls			
Cemetery			
Housing			
Traffic Police	700		
Disaster Management			

Sports and Recreation	2750		
Sewerage			
Public Conveniences			
Parks and Gardens			
Roads and Stormwater	25510	22978	
Refuse Removal			
Land fill			
Traffic Engineering			
Electricity	25000	15000	
Executive and Council	500	100	
LED			
Information Technology	800	300	
Total Capital Requirements	51310	38478	

Table 50

The Capital Investment Programme and Framework focus on addressing backlogs and specifically the financial implications thereof. It provides a sense of both issues and costs. This allows the uMngeni Municipality and other spheres of government to come to grips with what needs to be done to address the backlogs in the area, in urgency and in financial terms.

The bulk of capital investment goes towards high priority roads and electricity projects. This clearly indicates an alignment of capital investment with key areas of intervention, i.e. the provision of basic services which in the case of uMngeni is focused on roads as it should be in terms of national and provincial guidelines.

One of the most critical issues related to achieving what has been set out in this IDP and particularly in respect of its Capital Investment Programme and Framework is the availability of resources, financial and human resources. Financial and human resources constraints are of national significance and the question remains that, even if the uMngeni Municipality has access to sufficient financial resources to fund this Capital Investment Programme and Framework, does it have with human resource capacity to give effect to this Capital Investment Programme and Framework? The Municipality Institutional Plan needs to consider this matter further and give particular consideration to human resource capacity and development.

3. Financial Strategy:

3.1 The Financial Framework

3.1.1 Revenue Adequacy and Certainty

It is of vital importance that the municipality has adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable it to carry out its own

functions. The Division of Revenue Act has laid out the level of funding from National Government that will be received for the 2013/14 to 2015/2016 financial years.

It is important to track the respective sources of revenue received by the municipality as they can be different and vary depending on the period within the financial year. Knowledge of the resources of funds will illustrate the Municipality's position more accurately.

3.1.2 Cash Liquidity Position

Cash management is crucial for the short and long-term survival and good management of the organization. To assess the financial standing of the municipality, a current ratio will be used which expresses the current assets as a proportion to current liabilities. A current ratio of more than 2:1 is considered to be healthy. At the moment the municipality is currently sitting at 1, 03:1.

3.1.3 Sustainability

The Municipality should ensure that the budget is balanced – revenue is greater than the expenditure. Services provided at all levels should be affordable. However, subsidies need to be made available to the indigent who cannot even pay for a quarter of their service costs so that they can have access to at least basic services.

3.1.4 Accountability, Transparency and Good Governance

The municipality is responsible to the people who provide the resources, for what they do with those resources. The budget process and other financial decisions should be open to the public's participation. Also, it is crucial that the accurate information is produced within acceptable time-frames.

3.1.5 Equity and Redistribution

The uMngeni Municipality must treat people fairly and justly when it comes to the provision of services. In the same way that uMngeni Municipality should be treated equitably by the national and provincial government when it comes to the inter-governmental transfers.

3.1.6 Strategies and Programs

With the above framework as a background, strategies and programmes have been identified and form part of the financial plan to achieve the municipality's objectives.

3.1.7 Revenue Raising Strategies and Programs

The following are some of the more significant programmes that have been identified. Credit Control and Debt Collection Policy:

This policy provides direction in areas of credit control, collection of amounts billed to customers, procedures for recovery of arrear accounts.

Indigent Policy:

The criterion for benefits under this scheme is part of the credit control policy.

Tariff Policy:

The purpose of this policy is to ensure that a uniform tariff is applied to the municipal area of jurisdiction.

Rates Policy:

This has been implemented with the Municipal Property Rates Act with effect from 01 July 2007. The Policy has been reviewed annually when the draft budget is submitted.

Free Basic Services:

All registered indigent consumers receive 100 kwh of electricity free each month, and free refuse removal each month in respect of all properties with a value of R200 000 and less. Rates on all residential properties are exempted from the payment of rates on the first R 100 000 valuation.

Payment Points:

Payment can be made electronically by debit orders, internet and stop orders. Payments can be made at any point where there is an easy pay sign, using the deposit slip on the statement to pay at any ABSA Bank and the post office. Pay points are situated in Howick, Hilton, Mpophomeni, and KwaMevane.

3.1.9 Asset Management Strategies and Programmes

The following are some of the significant programmes that have been identified:

- The implementation of an integrated asset management system.
- This programme involves the investigation, identification and implementation of a suitable integrated asset management system. It also includes the capture of all assets onto the system, the maintenance of this system and the production of a complete asset register in terms of the GRAP requirements.

3.1.10 Financial Management Strategies and Programmes

The following are some of the more significant programmes that have been identified:

- Development and implementation of the budget and community consultation processes.
- Development and implementation of a uniform budget reporting framework.
- Review of post GRAP implementation issues and implementation of GRAP standards.
- Review and update asset and accounting policies and procedures.

- Training and development of financial and other staff (this will help staff obtain the required skills to ensure cost-effective and efficient service to the community of uMngeni).

4. Financial Management Policies

4.1 General Financial Philosophy

The financial policy of the uMngeni Municipality is to provide a sound financial base and the resources necessary to sustain a satisfactory level of municipal services for the citizens of uMngeni. It is the goal of the municipality to achieve a strong financial position with the ability to:

- Withstand local and regional economic impacts;
- Adjust efficiency to the community's changing service requirements;
- Effectively maintain, improve and expand the municipality's infrastructure;
- Manage the municipality's budget and cash flow to the maximum benefit of the community.
- Plan, coordinate and implement responsible and sustainable community development and growth.
- Provide a high level of protective services to assure public health and safety.

Municipality financial policies will address the following goals:

- To keep the municipality in a fiscally sound position in both the long and short term,
- Maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating contingent obligations,
- Apply credit control policies which maximize collection while providing relief for the indigent,
- Credit Control policies that recognize with basic policy of customer care and convenience,
- Maintaining existing infrastructure and capital assets.

4.2 Operating Budget Policies

The annual budget is the central financial planning document that embodies all operating revenue and expenditure decisions. It establishes the level of service to be provided by each department. The accounting officer shall incorporate the municipality's priorities in the formulation of the draft and the final budget proposal.

The budget will be subject to monthly control and be reported to the Mayor with recommendations of action to be taken to achieve with budget's goal. The budget will also be subject to a mid-term review, which will result in an adjustments budget.

Adequate maintenance and replacement of the municipality's capital plant and equipment will be provided for in the annual budget. The budget shall balance recurring operating expenses to recurring operating revenues.

The budget will have Revenue plans based on realistic expected income and expenditure figures. Plans will be included to achieve maximum revenue collection percentages.

4.3 Capital Infrastructure Investment Policies

The uMngeni Municipality has established and implements a comprehensive five-year Capital Investment Plan (CIP) and this plan will be updated annually. An annual Capital Investment Budget will be developed and adopted by uMngeni Municipality as part of the annual budget. The municipality will make all capital improvements in accordance with the CIP.

Unexpected capital project budgets shall not be carried forward to future fiscal years unless the project expenditure is committed or funded from grant funding. Routine capital needs will be financed from current revenues as opposed to the issuance of long-term debt. The municipality will maintain all assets at a level adequate to protect the municipality's capital investment and to minimize future maintenance and replacement costs.

4.4 Credit Control Policy and Procedures

The uMngeni Municipality approved the Credit Control and Debt Collection Policy. The principles supported in this policy are:

- An administrative integrity of the municipality must be maintained at all costs. The democratically elected councillors are responsible for policy making, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.
- Consumers are required to fill in an application form, requesting the municipality to connect them to service supply lines.

4.5 Indigent Customers

The criterion to qualify as indigent households is captured in the Indigent Policy. The municipality may annually as part of its budgetary process, determine the municipal services and levels thereof which will be subsidized in respect of indigent customers in accordance with the national policy but subject to principles of sustainability and affordability.

An indigent customer shall automatically be deregistered if an audit or verification concludes that the financial circumstances of the indigent customer have changed to the extent that he/she no longer meets the qualification.

4.6 Investment Policies

Every municipal council is in terms of Section 13(2) of the Municipal Finance Management Act (MFMA) no 56 of 2003 required to draft the Municipal's investment regulations. The uMngeni Municipality has adopted a Cash Management and Investment Policy in December 2005.

The primary objective of the investment policy is to gain possible return, without unnecessary risk, during periods when excess funds are not being used. For this to be achieved, it is essential to have an effective cash flow management program.

Before any monies can be invested, The Chief Financial Officer or his/her delegate must determine whether there will be surplus funds available during the term of the investment. The term of the investment should be fixed and in order to do this it is essential for the cash flow estimates to be drawn up.

Investment shall be made with care, skill, prudence and diligence. Investment officials are required to adhere to written procedures and policies guidelines, exercise due diligence and exercise strict compliance with all legislation.

The Minister of Finance may identify by regulation in terms of Section 168 of the MFMA instruments other than those referred to below in which the Municipality may invest:

Deposit with banks registered in terms of the Banks Act, 1990 (Act No 94 of 1990),

- Securities issued by the National Government,
- Investments with the Public Investment Commissioners as contemplated by the Public Deposits Act, 1984 (Act No 46 of 1984).
- A Municipality's own stock or similar type of debt,
- Internal funds of a municipality which have been established in terms of a law to pool money available to the Municipality and to employ such money for the granting of loans or advances to departments within a Municipality, to finance capital expenditure.
- Bankers, acceptance certificates or negotiable certificates of deposits of banks,
- Long term securities offered by insurance companies in order to meet the redemption fund requirements of Municipalities, and
- Any other instrument or investments in which a Municipality was under a law permitted to invest before the commencement of the Local Government Transition Act, 1996: Provided that such instruments shall not extend beyond the date of maturity or redemption thereof.

4.7 Debt Management Policy

The municipality does not have the debt management policy but has only a set of principles it uses when dealing with loans. The municipality shall issue a debt only when necessary to meet a public need and when funding for such projects is not available from current revenues, reserves or other sources. Long term borrowing will be used to finance capital improvements as approved in the municipality's CIP. The municipality will not incur debt to finance current operations.

4.8 Asset Management Policy

The objective of the asset management policy is to prescribe the accounting and administrative policies and procedures relating to property, plant and equipment (PPE), which are fixed assets of uMngeni Municipality.

A summary of principles supported in this policy are:

- A fixed asset is defined in GRAP 17 as a tangible item of property, plant or equipment held by the municipality for use in the production or supply of goods or service and which is expected to be used during more than one reporting period (financial year). Thus a fixed asset is an asset either movable or immovable owned by or under the control of the municipality or from which the municipality reasonably expects to derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond one financial year.
- The fixed asset register shall be maintained in the format determined by the chief financial officer, which format shall comply with the requirements of generally recognized accounting practice (GRAP) and any other accounting requirements which may be prescribed.
- Fixed assets are classified under the following headings:
 - Land (not held as investment assets)
 - Infrastructure assets (assets which are part of a network of similar assets)
 - Heritage assets (culturally significant resources)
 - Community assets (resources contributing to the well-being of the community).
 - Investment assets (resources held for operating or capital gain).
 - Other assets (ordinary operational resources).
- Every head of department shall be directly responsible for the safekeeping of any fixed assets controlled by the department in question. In exercising this responsibility, every head of department shall adhere to any written directives issued by the chief financial officer to the department in question, or generally to all departments, in regard to the control of or safekeeping of the municipality's fixed assets.
- All assets shall be carried in the fixed asset register, and appropriately recorded in the annual financial statements at their original cost or fair value less any accumulated depreciation.
- Heritage assets are not depreciated as they are regarded as having an infinite life.
- Every head of department shall at least once during every financial year, and in compliance with the relevant written directives issued by the chief financial officer, undertake a comprehensive verification of all fixed assets controlled or used by the department concerned.
- Assets are eliminated from the Statement of Financial Position on disposal or retirement. The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the statements of the financial performance.

4.9 Accounting Policies

The following are the main accounting principles adopted in the preparation of the financial statements:

-
- Basis of presentation. The annual financial statements are prepared in accordance with Generally Recognized Accounting Practice (GRAP).
 - Presentation Currency: The annual financial statements are presented in South African Rand.
 - Going Concern Assumption: The annual financial statements are prepared on the going concern basis.
 - Housing Operating Account: The Housing Operating Account was established in terms of the Housing Act, 1997 (Act No. 107 of 1997).
 - Reserves: Capital Replacement Reserve, Capitalization Reserve, Government Grant Reserve, Donations & Public Contributions Reserve and Revaluation Reserve.
 - Property, Plant and Equipment: Property, Plant and Equipment is stated at cost less accumulated depreciation except for land and buildings, which are revalue being the fair value at the date of revaluation less subsequent accumulated depreciation of buildings.
 - Revaluation of Land and Buildings: Land and buildings are stated at revalue amounts being the fair value at the date of revaluation less subsequent accumulated depreciation of buildings.
 - Investment Property: Property held to earn rental revenue or for capital appreciation is stated at municipal valuation less accumulated depreciation and accumulated impairment losses.
 - Investments: The accounting policies for investments include the financial instruments.
 - Inventories.
 - Accounts Receivable: They are stated at the value of billings to consumers/ratepayers, less deductions for discounts given or rebates granted less a provision for doubtful accounts.
 - Accounts Payable: They are stated at the amounts due to trade and other creditors for goods and services received.
 - Revenue Recognition: The municipality's revenue is recognized from Exchange transactions and Non-exchange transactions.
 - Conditional Grants and Receipts: They are recognized as revenue and the municipality must comply with the terms of the agreement.
 - Provisions: They are recognized when the municipality has a present or constructive obligation as a result of past events.
 - Cash and Cash Equivalents: Includes cash and cash on hand with the registered banking institutions.
 - Unauthorized expenditure: An expenditure which has been incurred and which has not been budgeted for.
 - Irregular expenditure: An expenditure that is in contravention with the requirements of the Municipal Finance Management Act No 56 of 2003, Municipal Systems Act, Public Bearers Act No 20 of 1998 and the Supply Chain Management Policy.
 - Fruitless and Wasteful Expenditure: An expenditure that was made in vain and would have been avoided had reasonable care been exercised.
 - Retirement Benefits: Contributions are charged as an expense in the Statement of Financial Performance in the year it becomes payable.
 - Borrowing Costs: They are recognized in the year in which they become payable.

- Deposits: They are based on the estimated monthly consumption and are calculated to cover approximately two and one half to four months consumption taking into consideration each consumer's profile.
- Operating Leases: They are expensed and charged in the period in which such payments are due.
- Prior Year Comparatives: They are reclassified when presentation or classification of items in the annual financial statements are amended.

4.10 Supply Chain Management Policy

Section 111 of the Local Government Municipal Finance Management Act (MFMA) requires municipality's to develop and implement the supply chain management policy. The uMngeni Municipality approved its Supply Chain Management Policy in September 2005.

The principle objective of the legislation has been to comply with section 217 of the Constitution, which among other things states that when contracting for goods and services the system must be fair, equitable, transparent, competitive and cost effective.

Supply Chain Management (SCM) generally refers to the management of activities along the supply chain including the supplier, manufacturer, wholesaler, retailer and consumer. The MFMA and its relevant regulations also identify processes which must be included in a SCM policy.

The supply chain management system is applicable for the:

- Procurement by uMngeni Municipality of all goods and services.
- Selection of contractors to provide assistance in the provision of municipal services.
- Selection of external mechanisms for the provision of municipal services in circumstances contemplated in section 83 of the Local Government: Municipal Systems Act.
- Disposal of assets or goods no longer required.
- Letting or sale of Municipal property.

5. Three (3) Year Implementation Plan

The purpose of the Medium-Term Expenditure Framework is to set out a three year framework of money planned for capital investment programs required to achieve the IDP objectives. This is directly linked to the strategic objectives of uMngeni Municipality, thereby linking IDP objectives to an approved Municipal Budget.

Own funding, namely the Capital Replacement Reserve, forms part of capital funding, i.e. R37 728 000 in 2014/15 and R25 970 000 in 2015/16. MIG funding consists of R18 912 000 R21 429 000 and R22 868 000 for the 2013/14, 2014/15 and 2015/16 financial years respectively.

Capital expenditure is mainly focused on Roads and Stormwater and funded from grants and internal sources through the Capital Replacement Reserve. The uMngeni Municipality cannot sustain the extension and improvement of infrastructure using loan funds. It is imperative that central and provincial government allocate grant funding from infrastructure and also for the maintenance of existing and new infrastructure to sustain service delivery to the uMngeni community.

5.1 Projects

5.1.1 Background to Projects

A comprehensive list of other projects is included as part of the Implementation in the previous chapter of this documentation. The following criteria were used for the prioritization of projects:

- Capital projects that have already been initiated.
- Projects that will provide communities with basic need.
- Projects which, if not attended to, could lead to deterioration in public health conditions.
- Projects which need to be undertaken to avoid serious deterioration of existing infrastructure.
- Projects which will make a major contribution towards poverty alleviation and which will have a positive impact on local economic development.
- Projects which will encourage capital investment by public or private sector and substantially improve job opportunities.
- Projects which would be to the benefit of a significant proportion of the residents of an area.
- Projects which will make significant contribution towards an effective improvement in safety and security.

The project list is divided into projects that have been completed, projects that are in progress, projects for which uMngeni is the funding source and projects for which other agencies are the funding source. Should funding become available that had not been foreseen, the projects in this list could then be implemented.

5.1.2 uMngeni Budget Capital Projects

The following capital budget has been set by the uMngeni Municipality for the 2014/2015 – 2016/2017 financial years:

ITEM	PROJECT DESCRIPTION	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
1	TOTAL ALLOCATIONS PER FINANCIAL YEAR	Dept. of Energy	0	0	
		MIG	21,415,000	22,428,000	23,268,000
		Neighborhood Development Partnership	0	0	
		Corridor Development-Mandela Capture Site			
		Capital Replacement Reserves	1, 600,000	22,428,000	23,268,000
	TOTAL CAPITAL EXPENDITURE		34,015,000	22,428,000	23,268,000
2	VOTE: ROADS AND STORMWATER	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	Mpophomeni Roads And Stormwater Phase 9	MIG			
	Mpophomeni Roads And Stormwater Phase 11	MIG	10,000,000	10,000,000	
	Main Road Howick	MIG			
	Main Road 390 Taxi Facility	MIG			
	Main Road AFA Surfacing	MIG		0	
	Main Street Prospect Road to Exchange Lane	MIG	1,000,000	0	
	Midlands Roads PH1	MIG	1,500,000	5,000,000	
	Mpophomeni Roads and Storm Water PH 10	MIG	6,415,000	0	
	Khayelisha Roads & Stormwater	MIG		4,028,000	
	Khayelisha Roads & Stormwater	Capital Replacement Reserves			
	Mandela Capture Site	COGTA			
	Road Rehabilitation	CRR	0	0	

	Mpophomeni Taxi Rank	Neighborhood Development Partnership Grant			
	TOTAL		18,915,000	19,028,000	
3	VOTE:VEHICLE, PLANT & EQUIPMENT	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	Bomag Roller	Capital Replacement Reserves		0	
	1 x Grader	Capital Replacement Reserves			
	1x 8 Ton Tip Trucks (High Pressure Jetting Machine)	Capital Replacement Reserves	0		
	1 x 2x4 TLB	Capital Replacement Reserves	0		
	1x Refuse Compactors	Capital Replacement Reserves	1,600,000		
	2 x 3.5 Ton Tip Trucks	Capital Replacement Reserves			
	3 x LDV's LWB	Capital Replacement Reserves			
	8 M3 Water Cart	Capital Replacement Reserves	0		
	TOTAL		1,600,000	0	
4	VOTE: SPORTS AND RECREATION	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	Mpophomeni Sports Field	MIG	2,500,000	1,400,000	
	Lidgetton Sports Field	MIG			
	Indoor Centre Ph 11		0	2,000,000	
	Sport equipment	Capital Replacement Reserves	0		
	TOTAL		2,500,000	3,400,000	

5	VOTE: ELECTRICITY	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	Electrification to Pre-paid	Department of Minerals and Energy	0	0	
	Greendale & Patterson Substation	Capital Replacement Reserves			
	Upgrade Electricity Network Greendale to Patterson	Capital Replacement Reserves			
	Install Bundle conductor	Capital Replacement Reserves		0	
	TOTAL		11,000,000	0	
6	VOTE: MUSEUM	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	Upgrade storeroom and meeting room	Capital Replacement Reserves	0	0	
	Museum Exhibition Hall	Capital Replacement Reserves		0	
	TOTAL		0	0	
7	VOTE: TRAFFIC & LICENSING	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	Upgrade Control Room	Capital Replacement Reserves	0		
	Access Control	Capital Replacement Reserves	0		
	TOTAL		0	0	
8	VOTE: INFORMATION TECHNOLOGY	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	Server Room Renovation	Capital Replacement Reserves	0		
	MSP Project Implementation	Capital Replacement Reserves	0		

	TOTAL		0	0	
9	VOTE: LIBRARIES	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	Guard Room	Capital Replacement Reserves	0		
	TOTAL		0	0	
	EPWP (3 trucks with Trailors)	Capital Replacement Reserves			
10	VOTE: PLANNING	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	ERF 4 & 6 HOWICK	Capital Replacement Reserves	0		
	TOTAL		0		
11	VOTE: CEMETERIES	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	Infrastructure to New approved Cemetery		0		
	TOTAL		0		
12	VOTE: REFUSE SITE	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	Establish Garden Refuse site at the Knoll		0		
	TOTAL		0		
13	VOTE: EXECUTIVE & COUNCIL	FUNDING SOURCE	2014/2015	2015/2016	2016/2017
	Council Chamber recording system	Capital Replacement Reserves	0		
	Access Control	Capital Replacement Reserves	0		

	TOTAL		0	0	
	TOTAL	TOTAL	23,015,000	22,428,000	23,268,000

Table 51

5.1.3 uMgungundlovu (UMDM) District Capital Projects

The following information was available at the time of writing:

5.1.3.1 Water

The proposed projects within uMngeni are the KwaHaza, KwaChief, Mashingeni, KwaNxamalala, Enguga Water Supply Scheme and AC Pipe Replacement in Howick. No budget had been allocated at that stage.

In regard to the Hilton N3 Corridor Development it is indicated that the Department of Water Affairs has approved 4, 25 Million for a project feasibility phase and the MIG registration of the project is being processed. Potential future water projects for uMngeni have been proposed in the Districts Water Services Plan, and are as follows:

PROJECT	BUDGET
Howick, Greendales, Merrivale, Hilton, Mpophomeni (Upgrade and new works)	R12,5M
Howick Central, Howick West, Shiyabazali, Thokoza, Thandabisi, Eagle Ridge, Merrivale Heights, Hilton, Mpophomeni, Zuzokhule (water refurbishment)	R205,3M
Fort Nottingham, Senzani, Lidgettton, Lutchmans Farm, Triandra, KwaHaza (water refurbishment)	R6,0M
Howick, Shiyabazali, Thokoza, Mpophomeni, Zuzubuhle (water upgrade and refurbishment)	R68,5M

Table 52

5.1.3.2 Sanitation

In March 2012 a total District sanitation budget of R146 Million was proposed for the 2012/2013 financial year. MIG funding for KwaHaza Ward 9 Sanitation Project was proposed to roll out over a 5 year period for basic sanitation with a total budget of R21 Million. However, this is being reviewed to consider a waterborne system.

5.1.3.3 HIV/AIDS Support, Orphans and Vulnerable Children

Through the uMgungundlovu District Aids Council a teenage pregnancy, the People Living with HIV/AIDS Support and the Orphans and vulnerable children projects are to be conducted in all the seven local municipalities.

5.1.3.4 Umgeni Water 2014 Bulk Water in uMngeni

The Greater Mpofana Bulk Water Supply will be of benefit to Wards 3 and 4 of uMngeni and the Mpofana Municipality. Phase 1 includes a water treatment works and infrastructure that will serve Nottingham Road. The total project cost for Phase 1 is estimated at 277 million and is anticipated to be completed in 2022/2023. The Spring Grove Dam is a Department of Water Affairs project and was recently opened by the President of the Republic along with Honorable Mayor of the municipality.

An upgrade of the Midmar Dam Water Treatment Plant commenced in 2012/2013 with a design phase, and is anticipated to be completed in 2017/2018. This will be of benefit to the whole PMB/Durban Region with an anticipated cost of R225 million.

An upgrade of the Raw Water Pipeline from Midmar Dam to the Water Treatment works began in 2013/2014 and will be completed in 2017/2018 at a cost of R90 Million. This will benefit Ward 12 in uMngeni in particular, but the entire PMB-Durban region benefits.

Upgrade of the Howick North Reservoir commenced in 2012/2013 and is to be completed in 2014/2015. This will be of benefit to Ward 5 in uMngeni at an anticipated project cost of R19 Million.

A detailed feasibility study has been undertaken for an upgrade of the Howick West Reservoir. This is located in Ward 7 but also serves Ward 12. The anticipated cost is R16 Million. It is scheduled to commence in 2015/2016 and be completed in 2017/2018.

Upgrading of the Groenekloof Reservoir is in the planning phase. Beneficiaries are in Wards 6 and 7 of uMngeni but it will also serve areas in uMsunduzi. The anticipated cost is R12 Million and is anticipated to commence in 2024/2025.

CHAPTER G – ANNUAL OPERATIONAL PLAN (SDBIP)

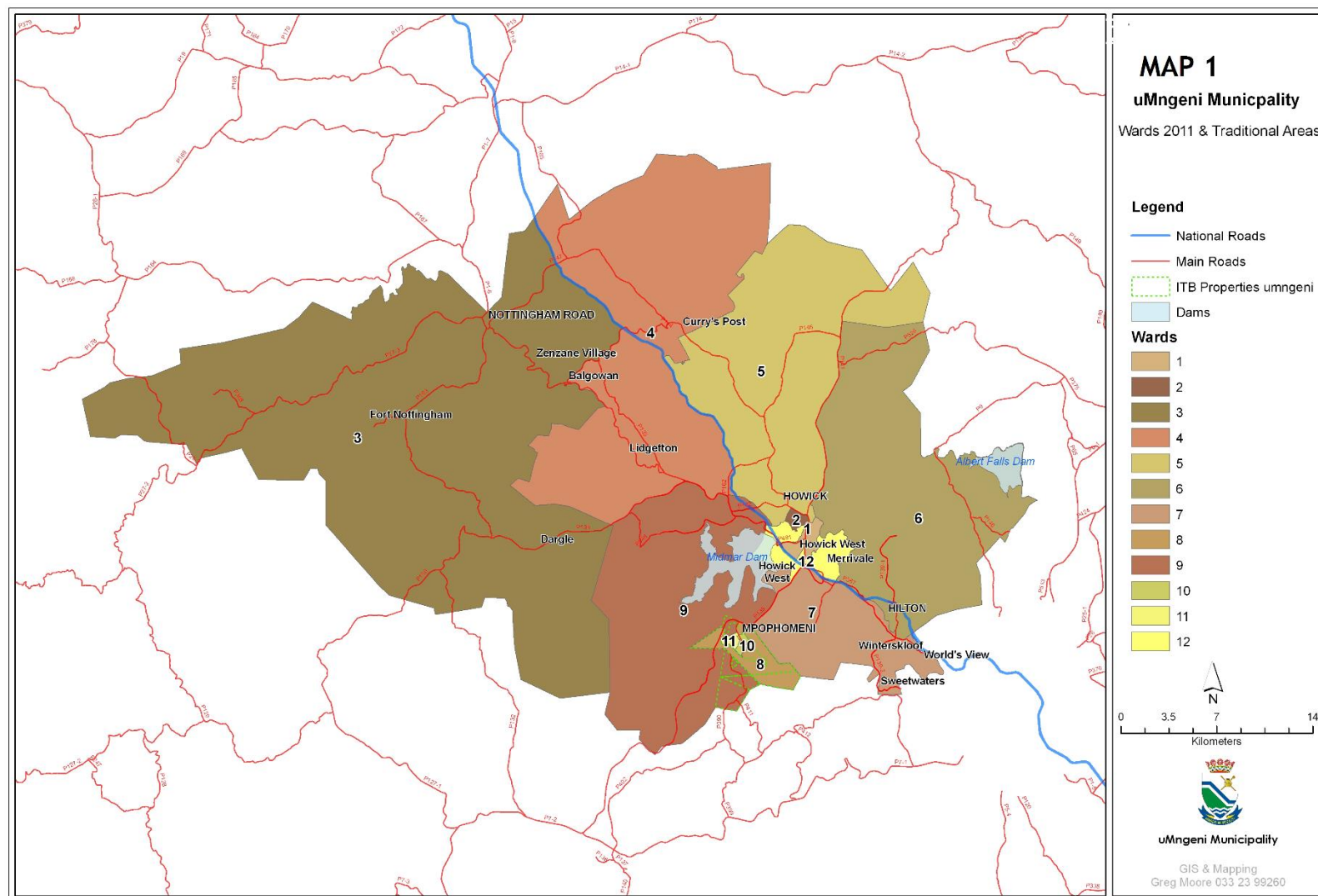
The SDBIP will be incorporated as part of the Final IDP Review.

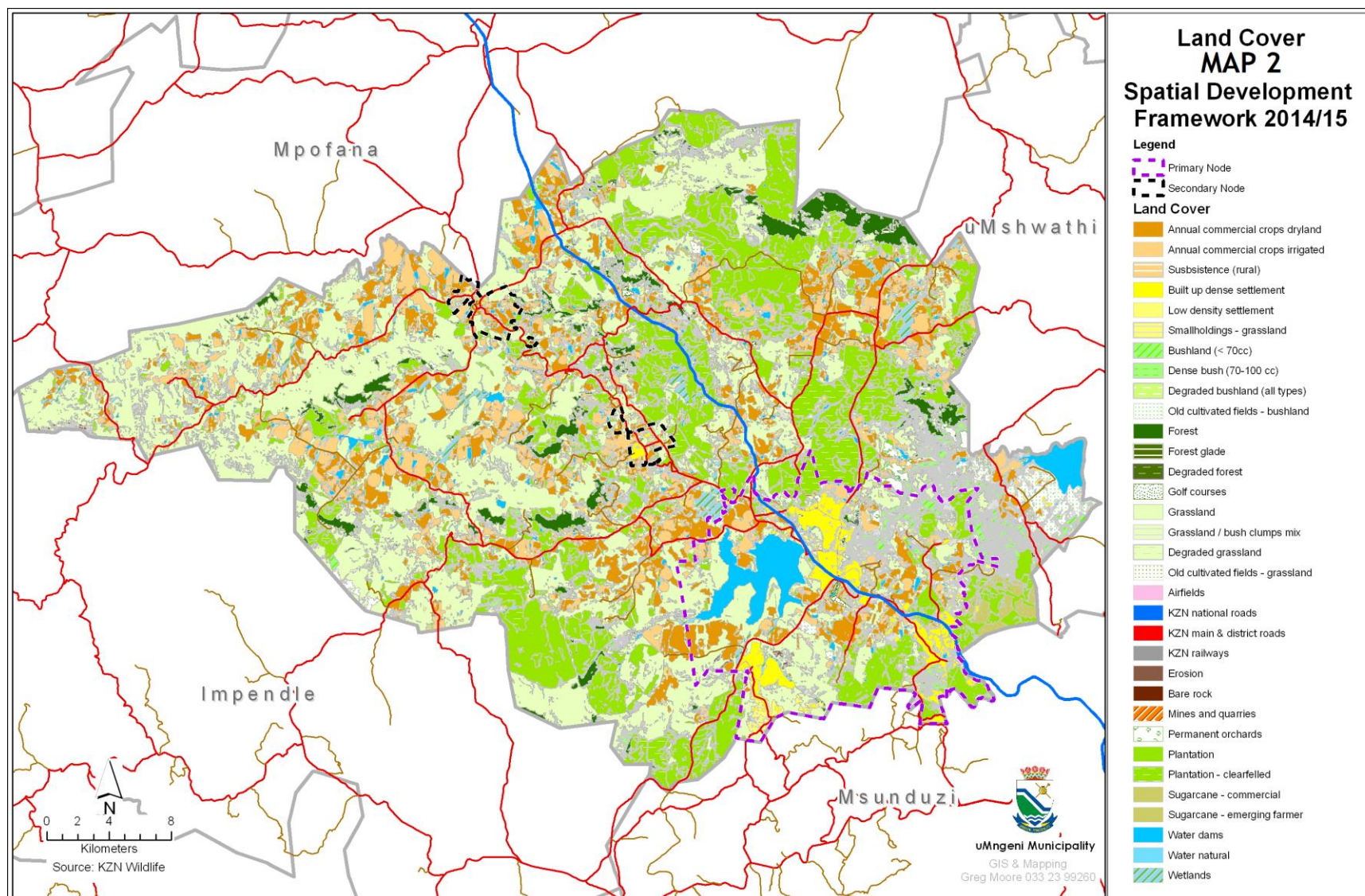
CHAPTER H – ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

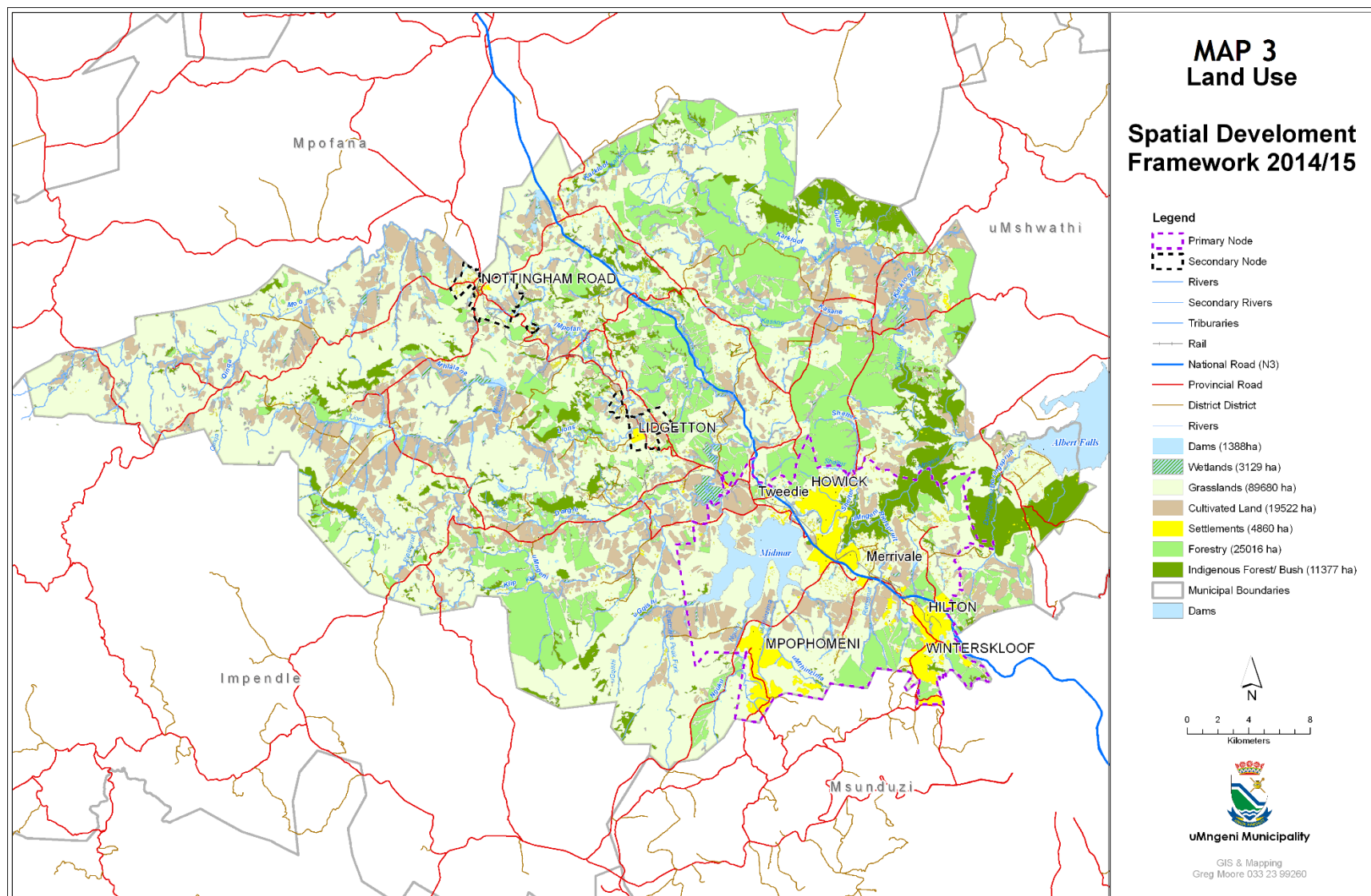
Taking into consideration that the municipality has recently reviewed its goals and strategic objectives, it will therefore be necessary for the Organisational Performance Management System to be considerate of these and amend accordingly. The amended OPMS will be included as part of the Final IDP Review submission.

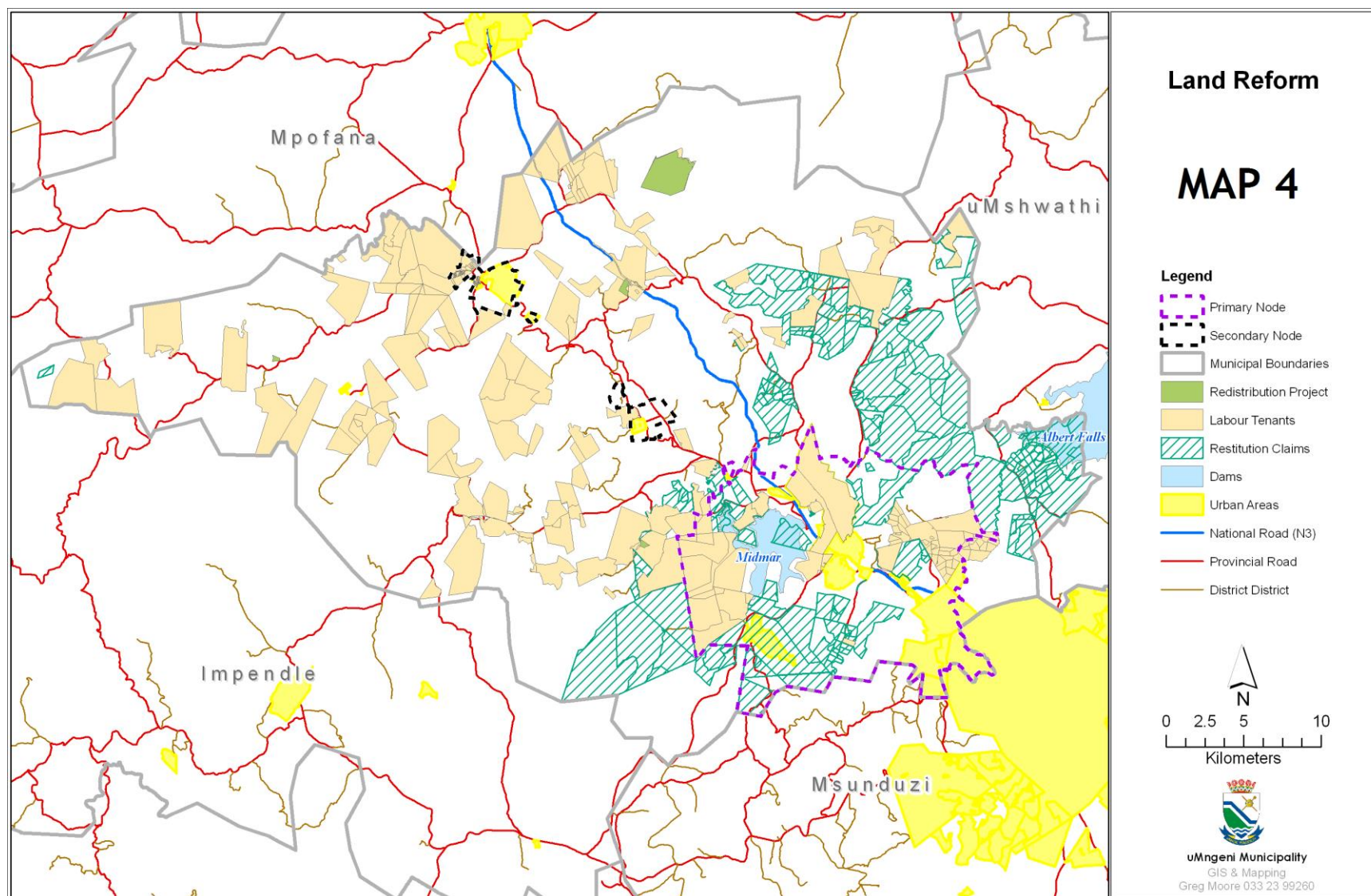
ANNEXURE A

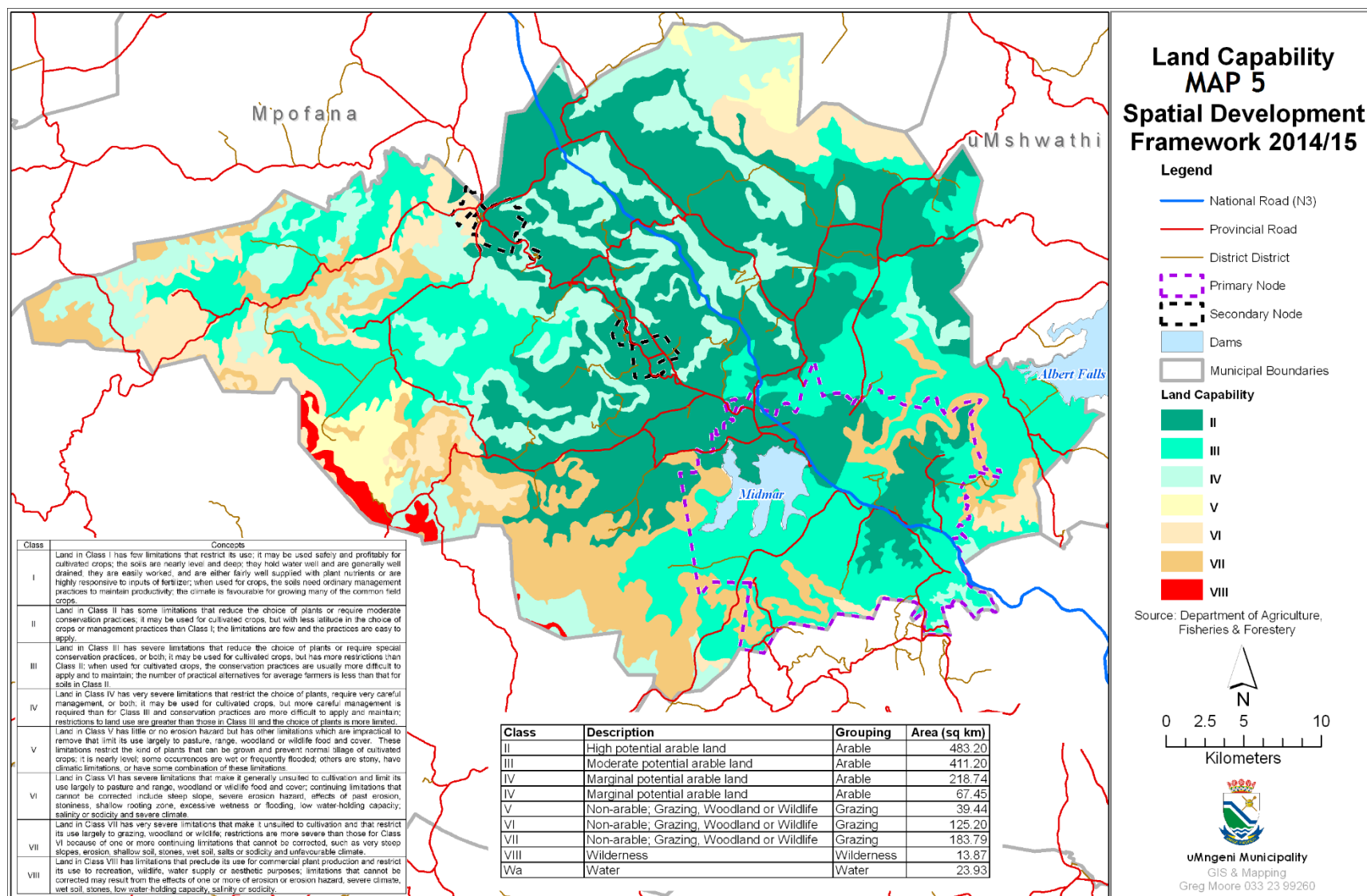
MAPPING

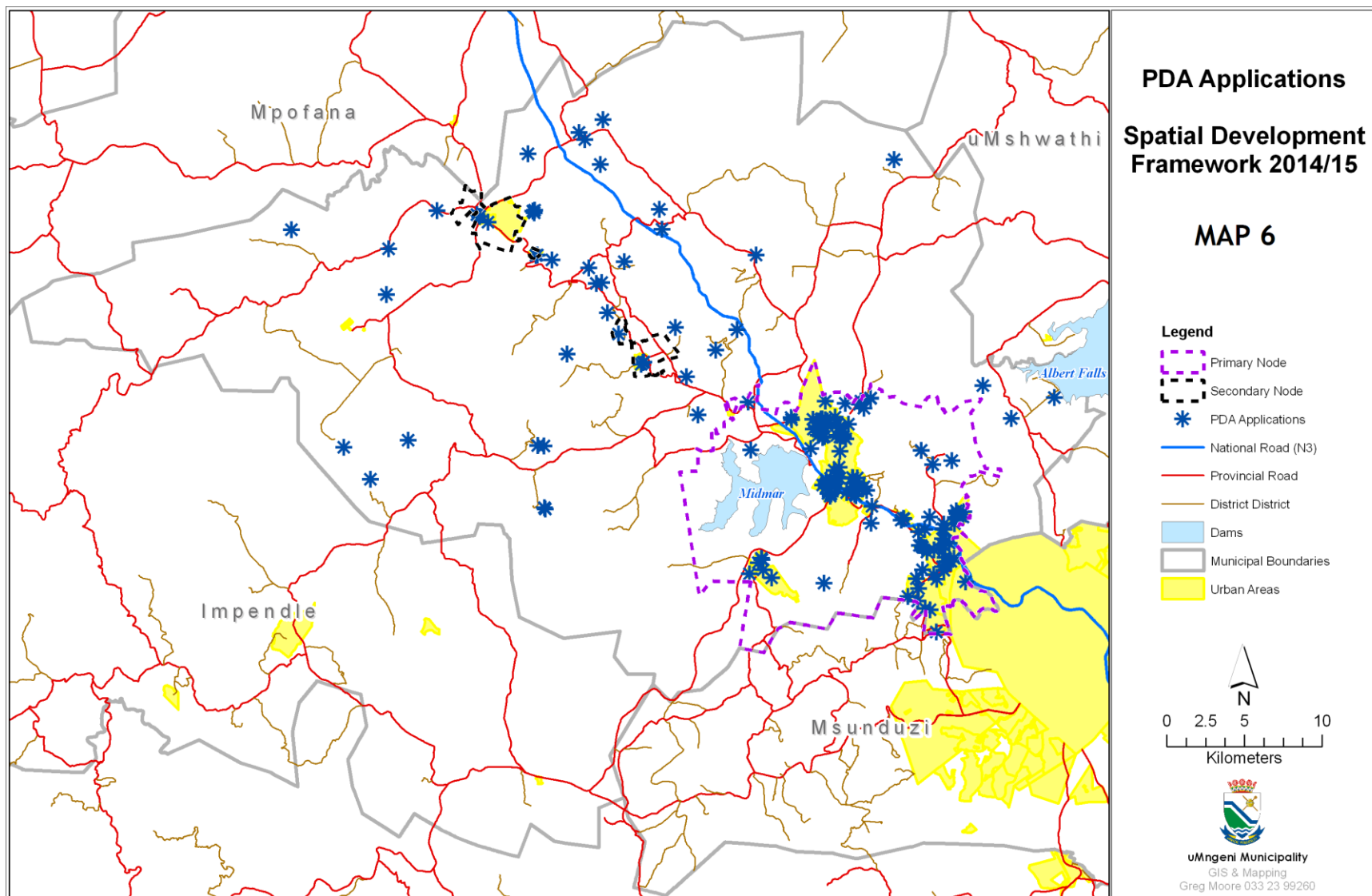


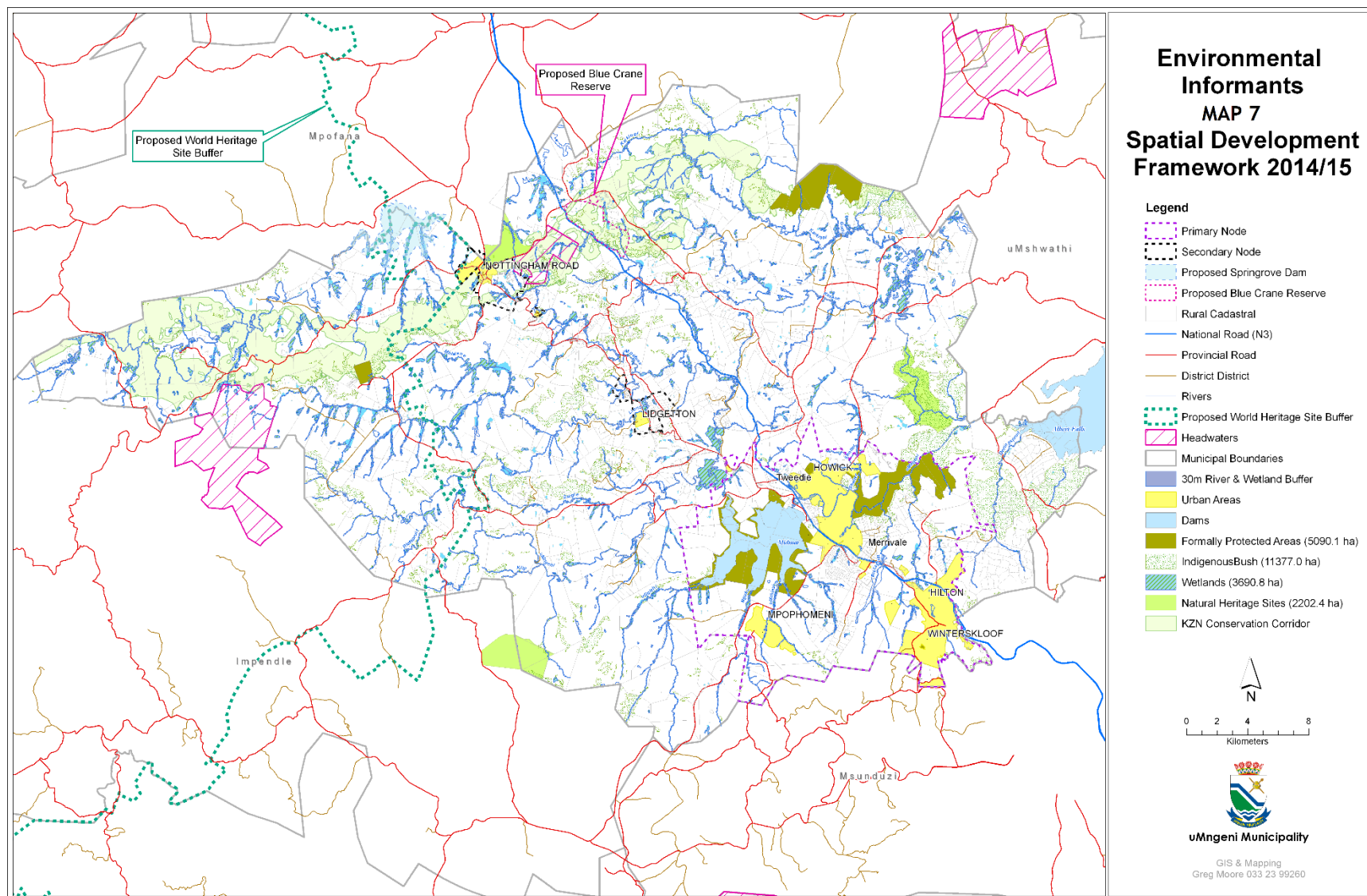


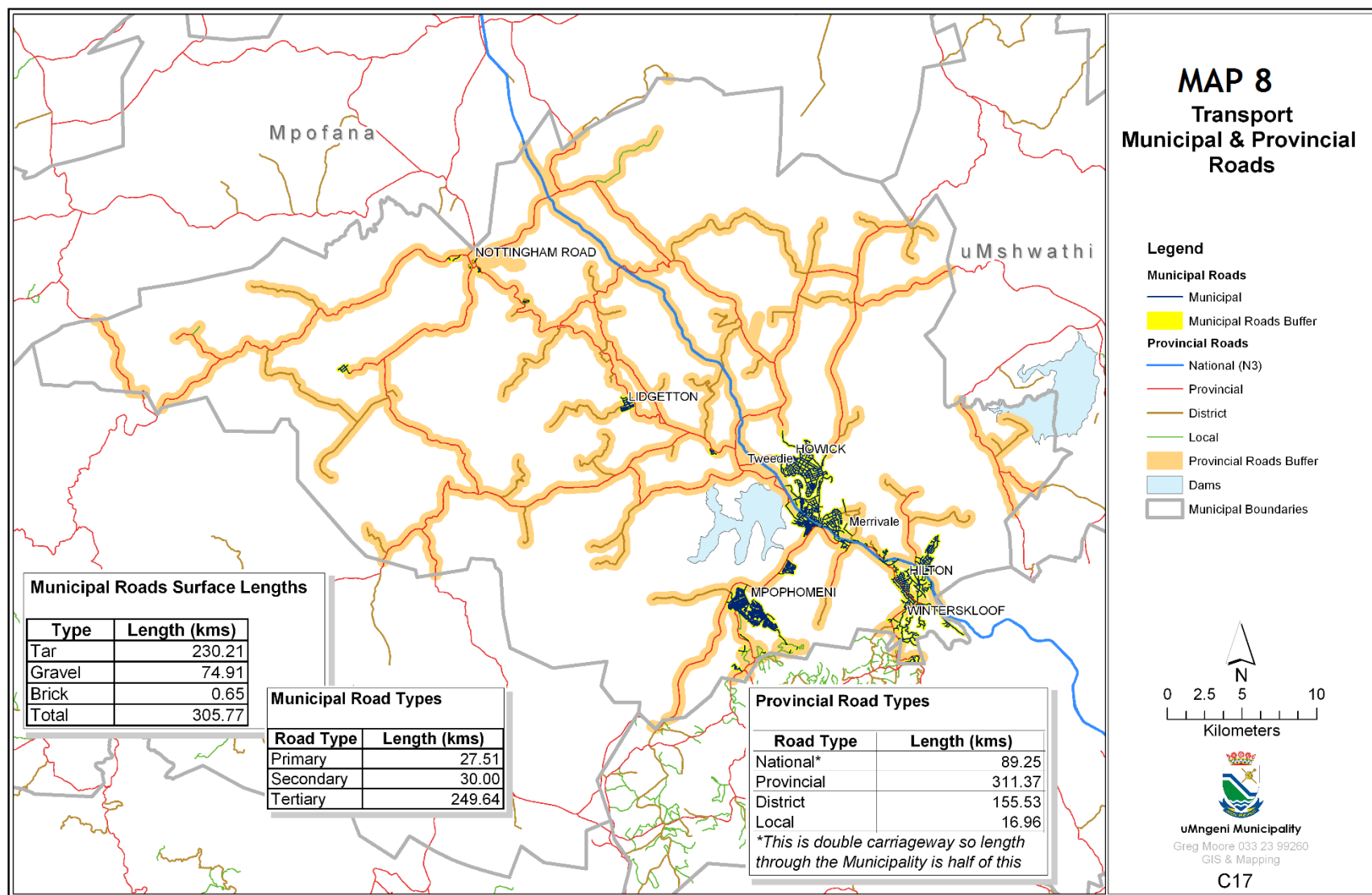


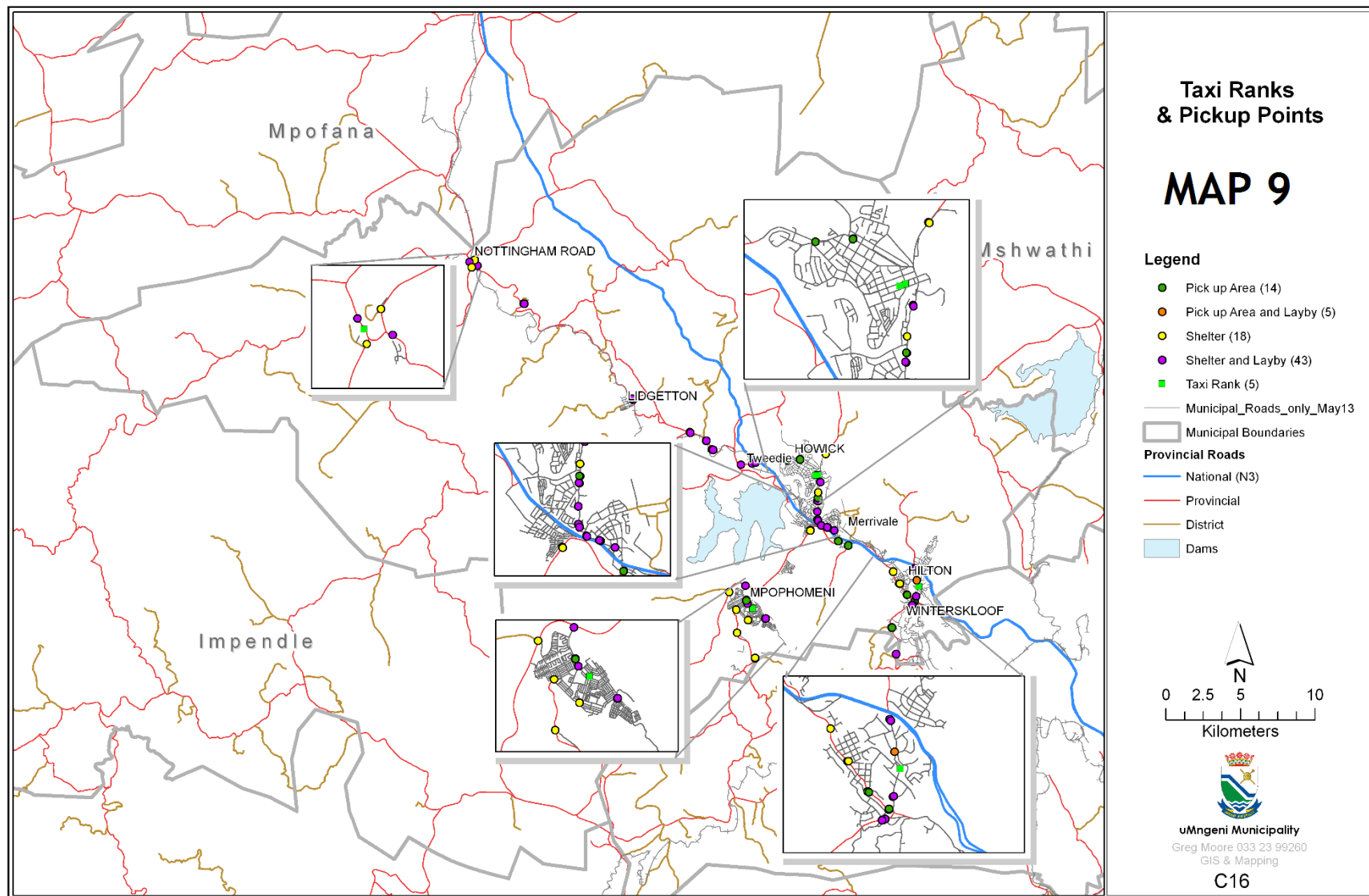


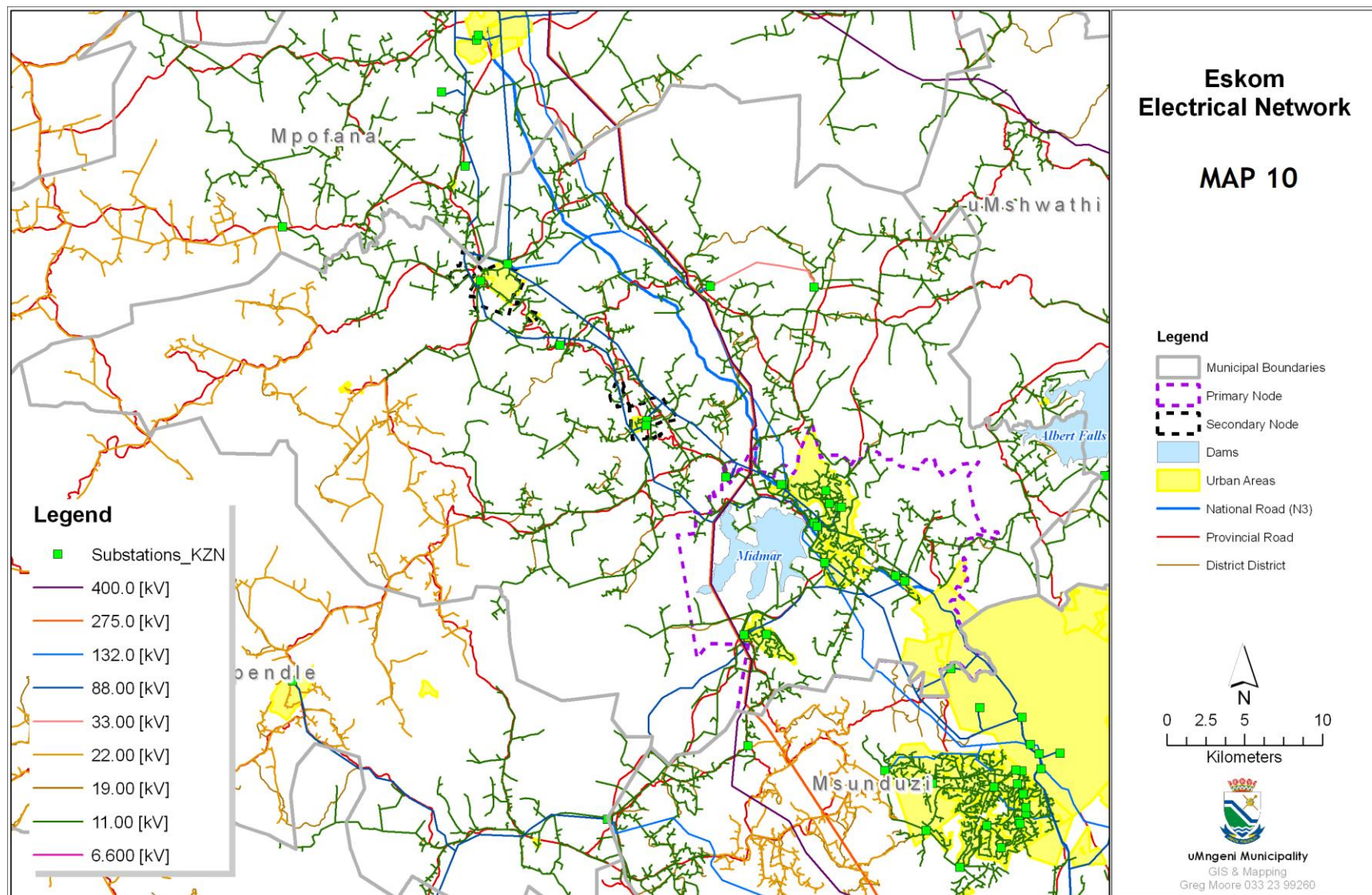


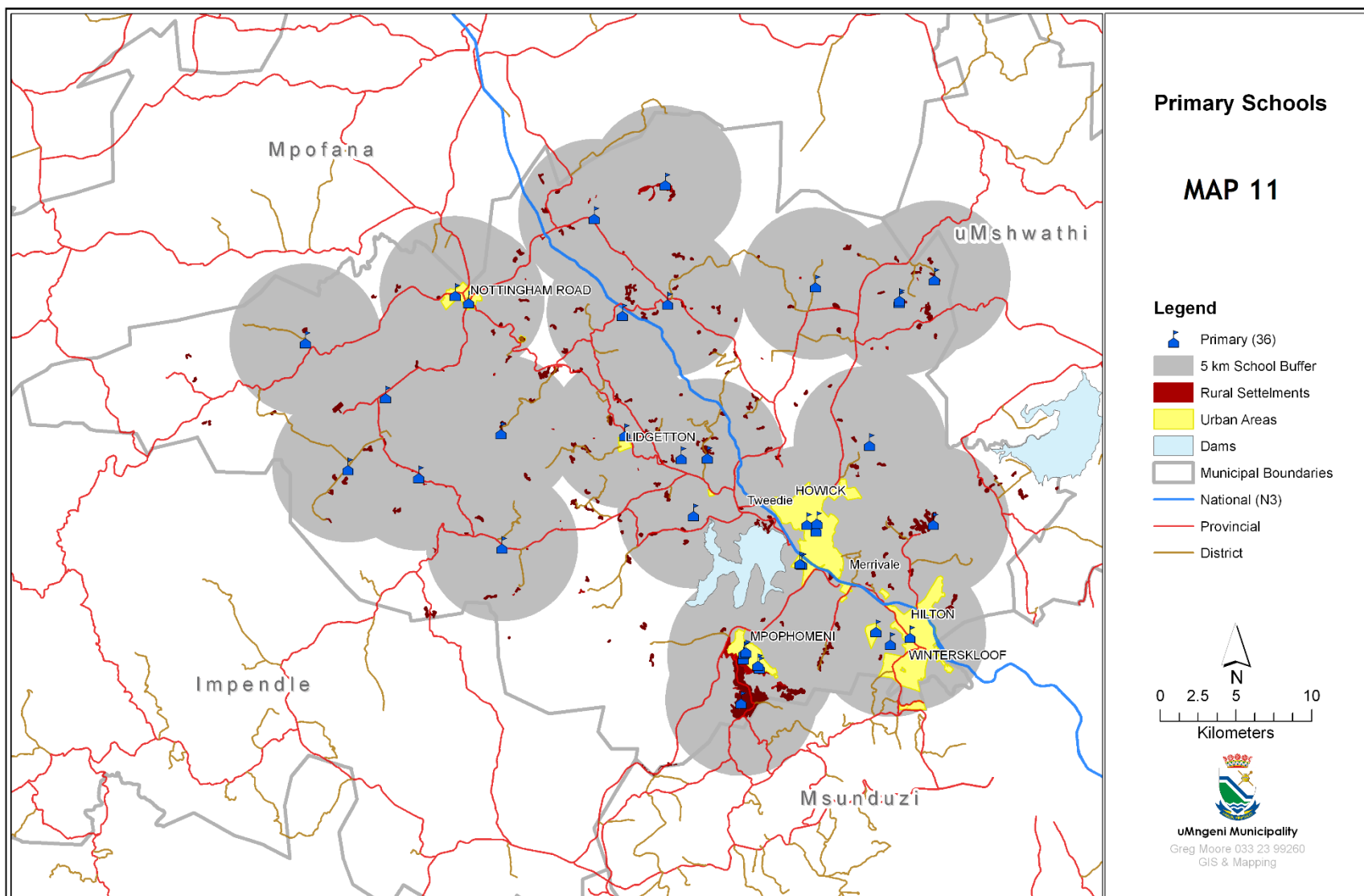


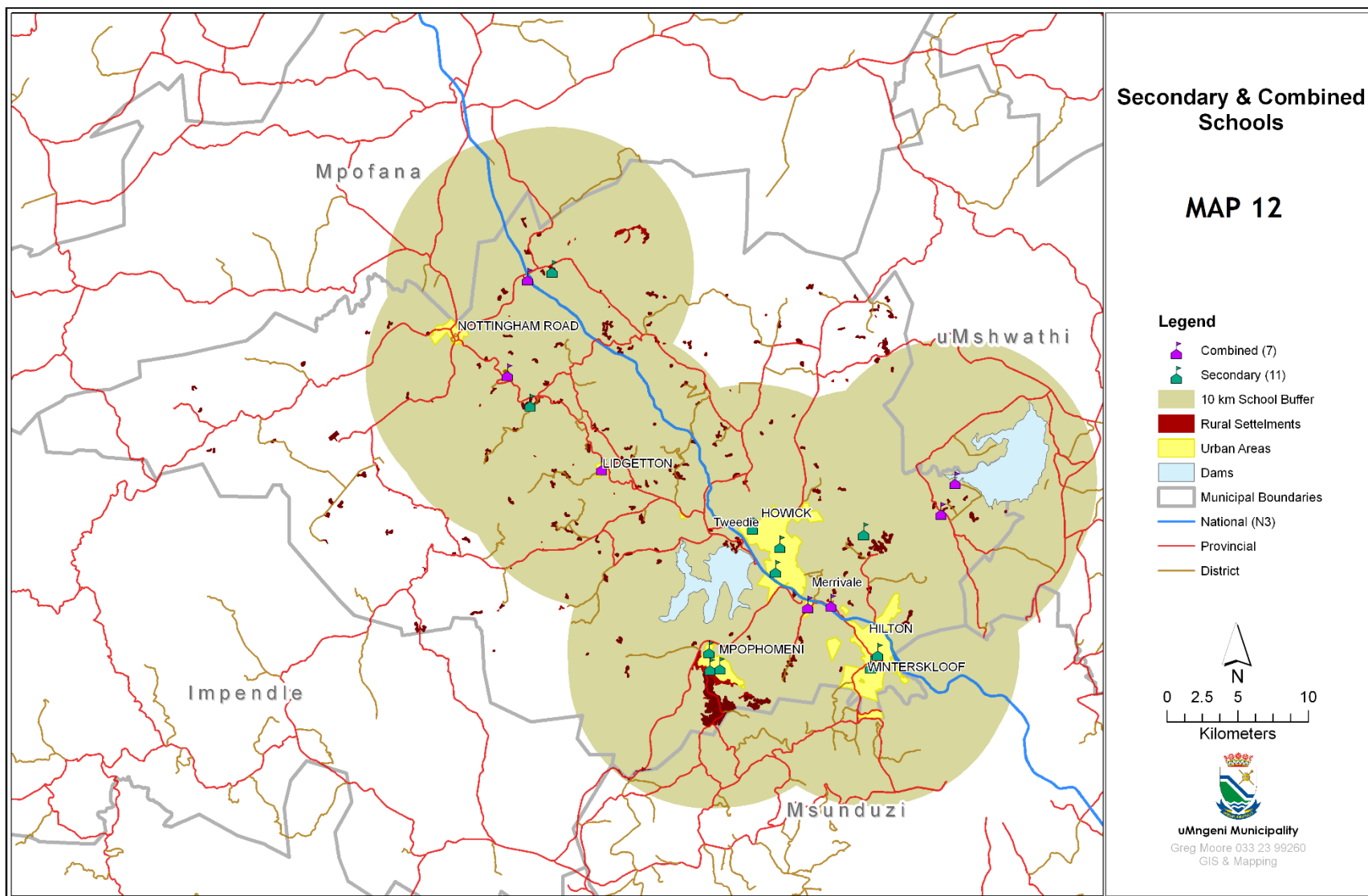


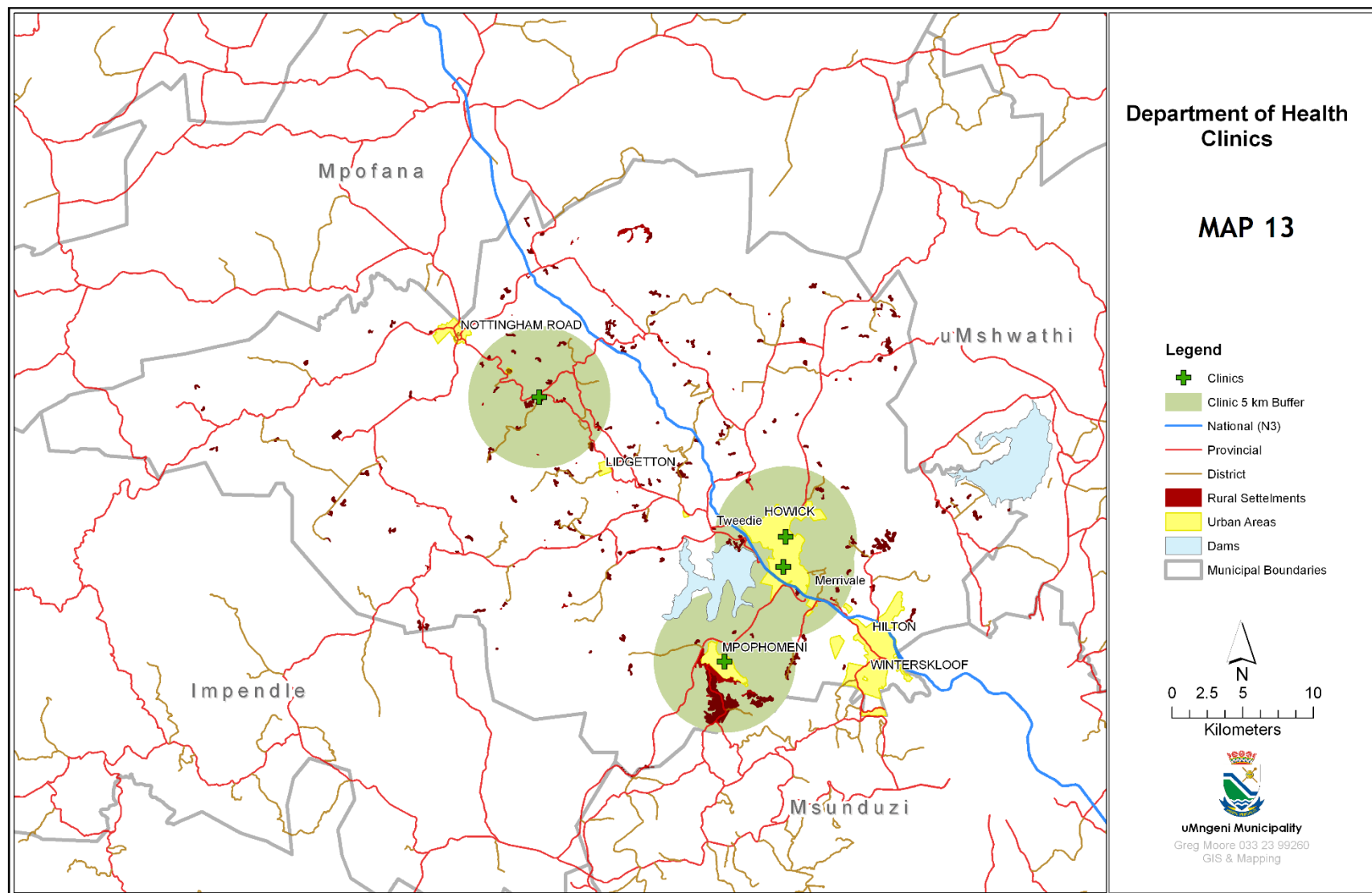






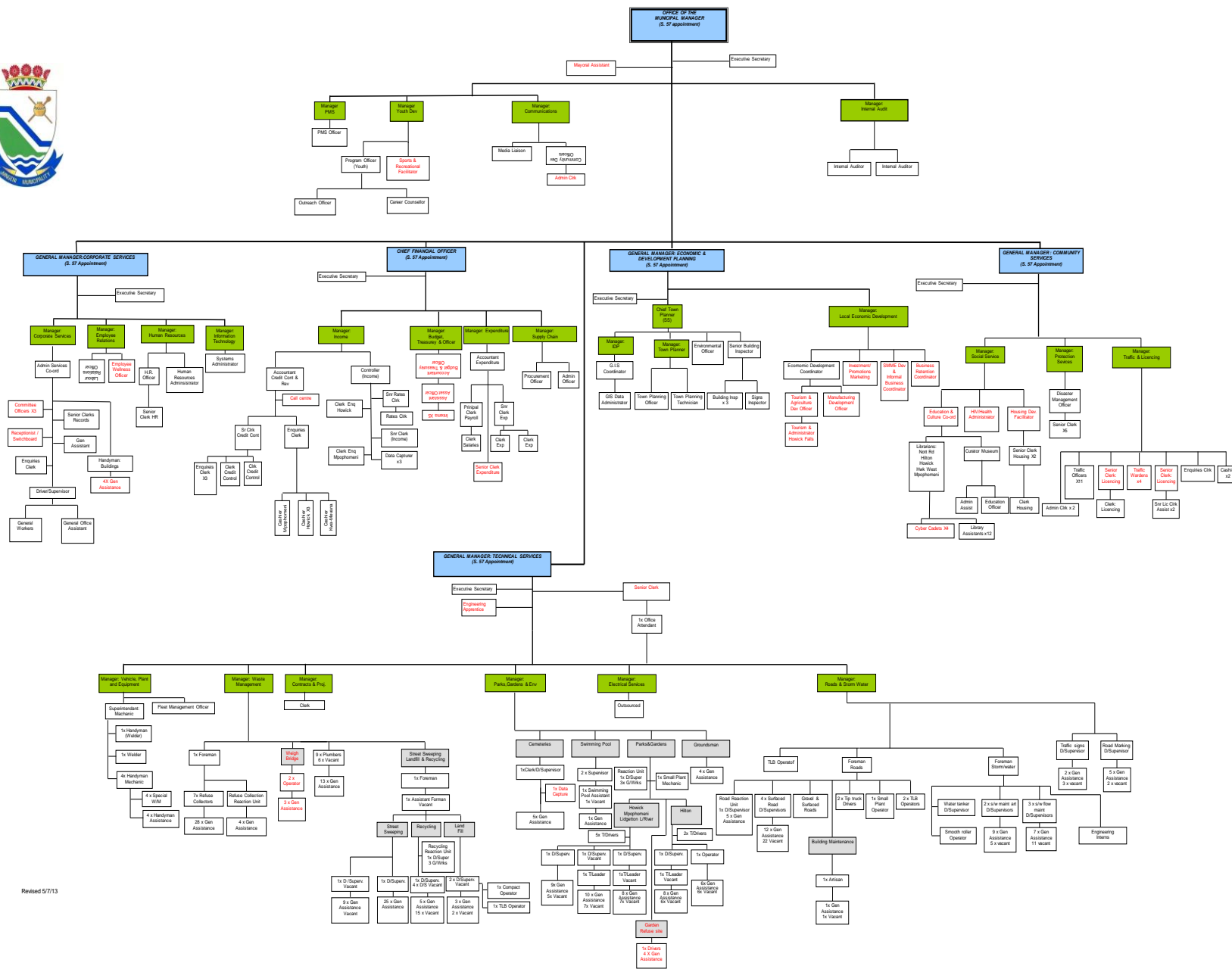






ANNEXURE B

ORGANOGRAM



ANNEXURE C

AG COMMENTS AND MANAGEMENT RESPONSES

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND COUNCIL ON UMNGENI MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Umngeni Municipality set out on pages ... to ..., which comprise, the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget information with actual information for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Umngeni Municipality as at 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

8. As disclosed in note 55 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of an error discovered during 2014 in the financial statements of the uMngeni municipality at, and for the year ended, 30 June 2013.

Material losses

9. As disclosed in note 26 to the financial statements, material losses to the amount of R27,37 million were incurred as a result of electricity losses on distribution.

Additional matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Unaudited supplementary schedules

11. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the general notice issued in terms thereof, I report the

following findings on the reported performance information against predetermined objectives for selected development objectives presented in the annual performance report, compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2014:

Development objective C: Basic service delivery and infrastructure investment - Roads and storm water

15. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
16. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. We further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected objectives.

Compliance with legislation

19. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Budgets

20. Expenditure was not incurred in accordance with the approved budget, in contravention of section 15 of the MFMA.

Annual financial statements

21. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, expenditure, cash flow and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Audit committees

22. The audit committee did not meet at least four times a year, as required by section 166(4)(b) of the MFMA.
23. The audit committee did not advise the council and accounting officer on matters relating to compliance, performance management and performance evaluation, as required by section 166(2)(a) of the MFMA.

Internal audit

24. The internal audit unit did not advise the accounting officer and the audit committee on matters relating to compliance with the MFMA, DoRA and other applicable legislation, as required by section 165(2)(b)(vii) of the MFMA.

Procurement and contract management

25. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by regulation 17(a) and (c) of the *Municipal supply chain management regulations*.
26. Invitations for competitive bidding were not always advertised for a required minimum period of days, as required by regulations 22(1) and 22(2) of the *Municipal supply chain management regulations*.

Human resource management and compensation

27. The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury, as required by regulation 14(2)(a) of the *Regulations on minimum competency levels*.
28. The annual report of the municipality did not reflect information on compliance with prescribed minimum competencies, as required by regulation 14(2)(b) of the *Regulations on minimum competency levels*.

Expenditure management

29. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
30. Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Asset management

31. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Internal control

32. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in findings on compliance with laws and regulations included in this report.

Leadership

33. Instability and vacancies in leadership have had a direct impact on the effectiveness of the oversight functions performed by leadership, resulting in repeat audit findings, material adjustments to financial statements presented for audit as well as material non-compliance with laws and regulations relating to supply chain management, budget and expenditure management, irregular, fruitless and wasteful and unauthorised expenditure.

Financial management

34. The accounting officer did not implement a proper reviews and a validation system to support reported financial information to ensure that all amounts disclosed were supported by valid documents.

Governance

35. The internal audit unit and the audit committee did not perform adequate reviews of compliance with laws and regulations and the financial statements. The audit committee did not meet the required number of times for the year.

Pietermaritzburg

28 November 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

No.	Management Report Item	Commitment	made By	Target Date
	Leadership			
	Human resource management			
	<u>Human resource planning and organisation</u>			
1	Job descriptions did not exist for each post or group of posts	Job Descriptions are currently being compiled as part of the job evaluation process	General Manager: Corporate Services	30-Apr-15
		Document Checklist for all employee files to be developed	General Manager: Corporate Services	
	<u>Management of vacancies</u>			
	-			
2	The senior management vacancy rate increased from 29% in the previous year to 50% in the current year.	1. GM: Community Services has been appointed and will be starting on 1 December 2014. 2. The appointment of CFO is currently being finalised and the appointed person will be notified during the first week of December 2014. 3. The position of the Municipal Manager has been advertised and the shortlisting will be finalised in December 2014.	Accounting Officer	30-Apr-15
3	Positions in senior management were vacant for more than 12 months.			
3	Positions in the finance department were vacant for more than 12 months.			
	<u>Overtime</u>			
4	Employees worked more than the maximum hours overtime allowed.	Adherence to the Overtime Policy will monitored by the relevant managers.	General Managers	30-Apr-15
5	Written authorisation was not provided in advance for the overtime to be worked.	No overtime will be approved by finance department without the supporting pre-authorisation signed by the relevant GM		
	<u>Performance management</u>			

6	Formalised and regular performance assessments of management and employees did not take place. As such, there is no monitoring of the performance of management and employees against the internal control and performance requirements of the municipality, and no accountability mechanism to ensure that consequences of poor performance are addressed.	Measures will be put in place to ensure that performance assessments are conducted by the Performance Evaluation committees.	Accounting Officer and Manager PMS	30-Apr-15
	Policies and procedures			
7	Management did not have adequate documented policies and procedures to guide the operations of the municipality in respect of the housing operating account and other related implementation issues, resulting in numerous instances of non-compliance with the MFMA as detailed under the <i>Findings on non-compliance with legislation</i> section of this report.	MANCO has resolved that all departments will review and document procedure manual for all functions and processes	General Managers	30-Apr-15
8	The municipality did not have documented and approved internal policies and procedures to address the process of collecting, recording and reporting performance information.	MANCO has resolved that all departments will review and document procedure manual for all functions and processes	General Managers	30-Apr-15
9	The lack of understanding of the municipality's existing policies and procedures is evidenced by the number of findings raised during the audit relating to the internal control environment. Leadership is required to ensure that municipal staff fully understand the requirements of the policies and are able to implement these policies and procedures effectively to ensure that the internal control environment that leadership has designed is effective and sustainable.	All reviewed Policies and Procedure manuals to be the custodian of the Corporate Services department, workshopped and further made available on the municipal website.	GM: Corporate Services	30-Apr-15
	Action plans to address internal control deficiencies			
10	The municipality developed a plan to address internal and external audit findings, but the appropriate level of management did not timeously monitor adherence to the plan, resulting in repeat audit findings in the year under review.	An action plan has been developed for prior year findings and will also incorporate current year findings	Internal Audit	30-Apr-15

		Action Plan to be monitored by the newly established Risk Management Committee and Internal Audit Department		30-Apr-15
	Information technology governance framework			
	Establishment of an IT governance framework			
11	The IT governance framework was not approved. As a result it has not been implemented and this may affect IT's ability to support and enables the business to deliver value and improve performance.	IT Governance Framework will be approved by 28 February 2015	Manager: IT	30-Apr-15
		IT staff will be trained on the Implementation of the Framework		30-Apr-15
	FINANCIAL AND PERFORMANCE MANAGEMENT			
	Proper record keeping			
12	The municipality did not formulate and implement a record management policy and related procedures to ensure that all documentation was properly controlled as certain information required as requested was not submitted timeously, with particular concerns relating to the maintenance of revenue related records and journal documentation, with journal documentation and the related controls being critical in respect of possible fraudulent entries.	Records Management policy to be developed and related Procedure manuals and systems to be implemented.	GM: Corporate Services	30-Apr-15
	Daily and monthly processing and reconciling of transactions			
13	Management did not implement the following daily and monthly controls designed for the municipality's business processes:	1. Reconciliation of Creditors, Fixed Assets Register to be reviewed by CFO on a monthly basis. 2. SCM Checklist to be reviewed by the CFO on a monthly basis. 3. A proper filing system will be developed.	CFO	30-Apr-15
	· Payments to creditors were not made timeously.			
	· Inadequate reviews and controls of assets under construction and municipal land			
	· Safekeeping of revenue records			
	· Procurement legislative requirements not dealt with			
	Regular, accurate and complete financial and performance reports			

14	The financial statements contained numerous misstatements that were corrected. This was mainly due to staff members not fully understanding the requirements of the financial reporting framework	Quarterly Financial Statements to be compiled for the next financial year and these will be reviewed by Audit Committee and Internal Audit Unit.	CFO	30-Apr-15
15	The financial statements submitted for audit contained the following material matters that were not identified and corrected by the internal controls in place at the municipality:	Quarterly Financial Statements to be compiled for the next financial year and these will be reviewed by Audit Committee and Internal Audit Unit.		30-Apr-15
	· Property, plant and equipment			
	· Commitments			
	· Revenue			
	· Contingent liabilities			
	· Irregular expenditure			
	· Investment property			
	· Payables			
	· Financial Instruments			
	· Unauthorised expenditure			
	· Cash flow statement			
	Compliance monitoring			
16	Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored. Non-compliance extends both to the procurement and contract management processes as well as to financial matters related to budget and expenditure management and the preparation of fairly presented financial statements.	1. Risk Management Committee has recently been established to monitor all risks also including compliance related issues. Furthermore Action plans to address all noncompliance related issues will be followed up. 2. Compliance Checklist to be properly monitored on a monthly basis by GMs.	Risk Management Committee	30-Apr-15
		SCM Checklists will be developed and reviewed by the CFO on a monthly basis.	CFO and Manager: SCM	30-Apr-15
	Information technology systems			
	Formal control over IT systems			

17	The Municipality did not have adequately skilled staff to design an adequate policy. This may affect IT's ability to ensure the reliability of the systems and the availability, accuracy and protection of information. IT manager was recently appointed as a result development and formalisation of policies was not prioritised. Management did not fully understand the associated risks. In addition they did not have staff with the adequate skills to design policies.	The IT staff will be trained and IT policies that are in line with the IT Governance Framework will be developed and approved by council.	GM: Corporate Services, Manager IT	30-Apr-15
18	Management have not designed adequate policies to ensure that change management is effected in the organisation. This may affect IT's ability to ensure the reliability of the systems and the availability, accuracy and protection of information.	MANCO will monitor implementation of IT related policies to ensure accuracy, availability and protection of information.		30-Apr-15
19	Due to lack of documented user account management procedures/policies processes such as user registration, terminations, password resets monitoring and reviews were not adequately managed or designed due to lack of adequate skills, knowledge and awareness	Management will ensure that user account management policy is approved and implemented. The policy will be communicated to end users once it has been finalised.		30-Apr-15
20	Inadequate IT service continuity as the Disaster Recovery Plan, Business Continuity Plan and backups were not done during the period under review. This was due to lack of budget, skills to develop recovery plans and ageing infrastructure.	The DRP is in the process of being approved and plans are in place for the DRP to be tested. Consideration will be taken to assign the role of a BCP champion to drive the process through the Accounting Officer.		30-Apr-15
21	An inadequate physical and environmental control as access to the sensitive area was controlled by finance. IT did not have keys to the room leading to the server room this may result in a major disruption when IT try to attend an emergency to the servers and they do not have access.	All systems backups will be stored offsite. A detailed offsite register will be implemented, maintained and reviewed.		30-Apr-15

22	Management did not see the need to review performance reports because the municipality has an SLA with the service provider. This was due to lack of understanding of the risk exposure and potential consequences which include regulatory, legal and operational services.	Management will ensure that service level agreements are signed by both parties and also ensure that roles, responsibilities and obligations of each party are clearly defined and agreed upon.		30-Apr-15
23	There were no formal procedures in place nor was documentation required to be completed for termination of users from the network	The User Account Management Policy will be updated to include formal user termination procedures.		30-Apr-15
24	Lack of implementation of appropriate key controls attributed to lack of awareness and knowledge to ensure that, processes that should be in place are documented and approved to ensure/ enforce consistent implementation. The importance of internal controls was relaxed due to trust among employees of the HR department.	Internal Audit is conducting a review process of all the processes for all departments. Recommendations and relevant implementation will be monitored by each GM.	GM: Corporate Services and Manager:HR	30-Apr-15
25	Management oversight was noted with regard to the commissioning and development of a backup strategy and retention policy.	Retention Policy has been developed and will be approved by 28 February 2015.		30-Apr-15
	GOVERNANCE			
	Risk management activities and risk strategy			
26	The municipality did not conduct an adequate risk assessment as required by the MFMA resulting in various deficiencies as reported in this report. Not all risks were identified by the risk assessment process.	Risk Register is in place and a Risk Management Committee has been established to monitor the implementation of the risk management processes.	Risk Management Committee	30-Apr-15
	Internal audit			
27	We are concerned about the following matters regarding the effectiveness of the internal audit unit, which require attention:	1. The Audit Committee and Accounting Officer will ensure that the Internal Audit reviews the AFS and Compliance and report accordingly.	Manager: Internal Audit	30-Apr-15
	· The internal audit unit did not review financial reports to confirm the reliability of the reports before their submission to the audit committee or external auditors.			

	· The internal audit unit did not review compliance with legislation.			
	Audit committee			
28	The audit committee did not meet four times a year as required by the MFMA. The audit committee did not review compliance with legislation.	Audit Committee will meet four times this year		30-Apr-15

ANNEXURE D

SPATIAL DEVELOPMENT FRAMEWORK (Currently being reviewed)

ANNEXURE E

DISASTER MANAGEMENT PLAN (Currently being reviewed)

ANNEXURE F

BACK TO BASICS PROGRAMME
uMngeni Support Plan

Scoring Scale - Level of Progress

The status and level of progress in the assessment shall be measured on a scale of 1-5, which will help score progress over time. (75% and above achieved in each of the pillars will move the municipality into the next category).

LEVEL OF PROGRESS	DESCRIPTION OF LEVEL OF PROGRESS FOR OVERALL RANKING FOR EACH BACK 2 BASIC PILLAR (add narrative comments on context and challenges)
5	Comprehensive achievement has been attained, with the commitment and capacities to sustain
4	Substantial achievement has been attained, but with some recognised deficiencies in commitment,
3	There is some institutional commitment and capacities to achieving outputs, but progress is not
2	Achievements have been made but are incomplete, and while improvements are planned, the
1	Achievements are minor and there are few signs of planning or forward action to improve the

Challenges	Recommended actions /Activities	Current Support if Applicable (e.g. Section 139 Interventions)	Outputs	Target	Timeframes (by when will the actions be completed)	Responsibility (which department or agency will be responsible for the action)	Responsibility Municipality	Progress
Putting People First								
There were 15 ward committee meetings held in the quarter, however, the challenges are that Ward Councillors are not convening meetings; There are vacancies within ward structures;	Speaker to ensure councillors convene meetings as it is legislated (ward election policy)	public participation monitors ward committee quarterly	Reports per ward on ward com meeting	1 ward committee meeting per ward by	31 March 2015	Department of public participation	Office of the speaker	Punitive measures put in place to address the matter.

There is a lack of understanding on the ward committee reporting template.	Speaker to ensure ward committee policy implemented		Workshop on reporting template by Department of public participation					
Lack of adherence of the annual plan especially in wards 2, 5, 6 and 7.	Speaker to take up matter		Report on PP report plan	Speaker to ensure plan is implemented	31 March 2015	COGTA (public participation unit)	uMngeni LM (office of the speaker)	
Issues in respect of employment unresolvable. Issue in Mpophomeni (Ward 11) was resolved not through job creation but providing explanation to the community.	Eskom to advise on electrification of project.							
Cause 1 Ward 11 - employment (project related), removal of councillor. Cause 2 - Ward 9 - housing (informal settlement), water and electricity, employment (project related) Cause 3 - Ward 3 - employment (project	Take up matter with infrastructure and district							

related), in respect of housing project.								
The Municipality does not have a complaints management system to address service delivery concerns.		Department of public participation is currently assisting	Developed management system	Developed of complaints management system	31 March 2015	Department of public participation	Municipality	
Refuse collection for households is once a week and businesses is more than once a week; however, the Municipality has a challenge with lack of vehicles and staff to perform their duties.	Waste management plan to be reviewed and adopted District plan to be customised		Adopted waste management plan.	Updated and reviewed plan	30 June 2015		Municipality	Pending
There was no citizen/public satisfaction surveys conducted for the quarter due to lack of funding. The Municipality requested for funding to conduct credible survey through the IDP process.	Survey to be conducted through ward committee/ IDP process/ billing system.		Community satisfaction survey	Community satisfaction survey	28 June 2015	Department of public participation	Municipality	

Delivering Basic Services

The average time to fix outages in the system is 1 day reason being there is no spare capacity in the network and lack of capacity in Mpophomeni (ESKOM sub-station)	Spilt network		Split network in Mpophomeni area	Split network in Mpophomeni area	30 June 2015	ESKOM	Municipality	
The Municipality does have an Indigent register, however, it was stated that the Municipality lacks human capital to compile indigent register, lack of credible information from applicants and placement of indigent within the municipality.	Dealt with and regularly updated							
The number of roads managed by the Municipality is 465km, however, the challenge is extensive failing of surface roads and potholes and lack of resources for the maintenance of gravel roads respectively.	6 million via audible share							

Take up matter with infrastructure and district								
Good Governance								
No Traditional Leaders participating in Council meetings. One Traditional Leader deceased, one Traditional Leader is sick. Intervention required from COGTA	Mr Vilakazi has addressed the issue with the municipality		COGTA tradition to attended next council meeting to explain legislated process.		January and February 2016			
Meetings between the Mayor, Speaker, Chief Whip and Manager to deal with municipal matters are held, however meetings were not minutes. Informal TROIKA meetings held.	To be removed							Resolved
The Municipality had 1 unprotected work stoppage in the quarter due to wage disputes.	To be removed							Resolved
There is no anti-corruption strategy in place.	Has to be adopted in council, COGTA (forensic unit) to provide anti-				31 January 2015	COGTA forensic unit	municipalities forensic unit	Pending

	corruption strategy plan							
Sound Financial Management								
Building Institution and Administrative Capabilities								
All urban areas are covered. No rural areas covered. LUMS being updated. Fully integrated system in place by March 2015.	70 of 70 approval is a problem with department of agriculture		Provincial COGTA is currently dealing with the matter with department off Agric					COGTA dealing with matter at a provincial level
4 Environment Impact Assessment backlogs in respect of housing. Intervention is required.	Backlogs are not with Environment Affairs but rather delays are due to meeting terms off condition as ROD's.			Municipality to convene meeting key service delivery units IE (EA, district, water affairs ESKOM human settlement and COGTA).			Municipality	Engagements to be undertaken with the relevant departments

NB: Indicate any other support required in terms of each b2b Pillar.

Other Identified Challenges:

The Mayor responded that the financial status of the Municipality is a concern. MIG funding (2011) was not cashbacked, however the situation had improved in 2013 with assistance from Treasury. Treasury is continuing with the support. Due to the financial situation, service delivery is hampered. Protests relate to service delivery in large. Issues of potholes and gravelling of roads in rural areas are still a challenge. By June 2015, the municipality should be stabilised. A new CFO has been recently appointed. The Mayor stated that the attitude of the officials once they take up appointment is negatively impacting the municipality. Councillors commit to Back to Basics but are reliant on staff to implement the programme. Lack of disciplinary action due to negative response from officials is a problem. Staff must be committed. This is a serious challenge for the municipality. Electricity losses and tampering have been expressed by the AG. Councillor's lives are threatened when the community is addressed on these issues. Intervention is required. Smart metering is an option to be considered.

The Disaster Management Plan is outdated, as the post is vacant. There is no disaster management centre or call centre in place.

The Acting Municipal Manager stated that most of the issues had already been covered by the Mayor. The financial status of the LM in respect of, debt collection is problematic. The LM is commencing an amnesty arrangement. The Municipal Manager expressed concern over DWA debt owing to Umngeni Local Municipality in respect of property rates for Midmar Dam for the past three years. The Acting MM has met with DG National Treasury; however the issue is still not resolved. Intervention is required in this regard. The Acting Municipal Manager stated that the organisational culture has to be changed, training etc. to be put into place. There is a lack of disciplinary action by management. It is possible to correct the situation with support from the other spheres of government, but it requires time.